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Implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the financial period ended 31 December 2013

Report of the Secretary-General**

Addendum

Summary

The present report is submitted pursuant to General Assembly resolution 48/216 B, in which the executive heads of the United Nations funds and programmes were requested to report to the Assembly at the same time as the Board of Auditors submitted its recommendations on measures taken or to be taken to implement those recommendations.

The Secretary-General has the honour to transmit to the General Assembly the responses of the executive heads of the funds and programmes, namely the International Trade Centre, the United Nations University, the United Nations Development Programme, the United Nations Capital Development Fund, the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Institute for Training and Research, the voluntary funds administered by the United Nations High Commissioner for Refugees, the Fund of the United Nations Environment Programme, the United Nations Population Fund, the United Nations Human Settlements Programme, the United Nations Office on Drugs and Crime, the United Nations Office for Project Services, the United Nations Entity for Gender Equality and the Empowerment of

* A/69/150.

** The present report was submitted late owing to the long process of obtaining input from the United Nations funds and programmes.

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Women, the International Criminal Tribunal for Rwanda, and the International Tribunal for the Former Yugoslavia.

The present report provides information further to the comments already submitted to the Board of Auditors, which in some cases were included in the Board's final reports to the executive heads of the respective funds and programmes. The executive heads have concurred with most of the Board's recommendations, and some of their comments have been duly reflected in the reports of the Board. Therefore, in an effort to reduce redundancy and streamline documentation, the present report provides additional comments from the executive heads only where required. The present report also provides information on the status of implementation, the office responsible, the estimated completion date and the priority for each recommendation contained in the respective reports of the Board, as well as an update on the status of implementation of the recommendations of the Board relating to prior periods that the Board considered not to have been fully implemented.

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I. Introduction

1. The present report is submitted in accordance with the provisions of paragraph 7 of General Assembly resolution 48/216 B, in which the Assembly requested the executive heads of the United Nations funds and programmes to provide their responses, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, through the Advisory Committee on Administrative and Budgetary Questions, and to indicate measures that would be taken to implement those recommendations, with appropriate timetables.

2. In the preparation of the present report, account was taken of the provisions of the following General Assembly resolutions:

(a) Resolution 52/212 B, and the note by the Secretary-General transmitting the proposals of the Board of Auditors for improving the implementation of its recommendations approved by the Assembly (A/52/753);

(b) Resolutions 67/235 and 68/19 A, in which the Assembly reiterated its request to the Secretary-General and the executive heads of the funds and programmes of the United Nations to ensure full implementation of the recommendations of the Board of Auditors in a prompt and timely manner, to address the root causes of the problems highlighted by the Board, to provide a full explanation for the delays in the implementation of the recommendations (in particular those outstanding for two or more years), to indicate an expected time frame for the implementation of the recommendations, as well as the priorities for their implementation and the office holders to be held accountable.

3. In respect of time frames, every effort has been made by the executive heads to establish target dates for completion of the implementation of recommendations. However, in some cases the executive heads consider them to be ongoing tasks for which target dates for completion cannot be set.

4. With regard to prioritization, it is noted that the Board categorizes the most important recommendations as "main recommendations". While all accepted recommendations of the Board will be implemented in a timely manner, the main recommendations will be given the highest priority.

5. The executive heads have concurred with almost all of the Board's recommendations, and some of their comments have been duly reflected in the respective reports of the Board of Auditors. In accordance with paragraph 14 of resolution 68/19 A, information is provided for all recommendations relating to prior periods that the Board considered not to have been fully implemented.

II. International Trade Centre

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2013[1]

6. The status of implementation of the main recommendations as at August 2014 is summarized in table 1.

[1] A/69/5 (Vol. III), chap. II.

Table 1
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	2	–	–	2	2	–
Division of Programme Support and United Nations Secretariat	2	–	1	1	1	–
Division of Programme Support and Office of the Executive Director	1	–	–	1	1	–
Total	**5**	**–**	**1**	**4**	**4**	**–**
Percentage	**100**	**–**	**20**	**80**		

7. The status of implementation of all recommendations as at August 2014 is summarized in table 2.

Table 2
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	2	–	–	2	2	–
Division of Programme Support and United Nations Secretariat	2	–	1	1	1	–
Division of Programme Support and Office of the Executive Director	2	–	–	2	2	–
Total	**6**	**–**	**1**	**5**	**5**	**–**
Percentage	**100**	**–**	**17**	**83**		

8. **In paragraph 14, the Board recommended that the International Trade Centre (ITC) regularly inform both the General Assembly and the General Council of the World Trade Organization (WTO) of the projected future level of funding required to support end-of-service liabilities.**

9. After-service health insurance liabilities are shown in the ITC financial statements, which are transmitted to the General Assembly and to the WTO General Council. As from 2014, ITC financial statements will be prepared on an annual basis.

Department responsible: Division of Programme Support and United Nations Secretariat

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

10. **In paragraph 19, the Board recommended that ITC review whether the current rates for programme support recover the full costs of projects.**

11. ITC notes that initiatives are under way to determine the full cost of projects.

Department responsible:	Division of Programme Support and Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

12. **In paragraph 21, the Board recommended that ITC: (a) further develop its project plan for the continuing costing methodology work and include key milestones and outputs to enable active monitoring of the project; and (b) thoroughly analyse its regular budget costs to enable the full costing of projects.**

13. Initiatives are under way to cost outputs and outcomes. Part of this work depends on the functions available in Umoja, which will have been deployed in Geneva only by the end of 2015.

Department responsible:	Division of Programme Support and Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

14. **In paragraph 29, the Board reiterated its previous recommendation that ITC clearly identify the objectives and envisaged benefits of the International Public Sector Accounting Standards (IPSAS) project and develop a methodology to track and manage benefits realization.**

15. The benefits realization plan that was developed centrally by the United Nations IPSAS implementation team and approved by the IPSAS Steering Committee in June 2014 includes ITC. That plan already includes the benefits envisaged and the methodology to track and manage their realization.

Department responsible:	Division of Programme Support and United Nations Secretariat
Status:	Implemented
Priority:	High
Target date:	Not applicable

16. **In paragraph 37, the Board recommended that ITC evidence more thoroughly the evaluation of three candidates.**

17. ITC currently deploys the same level of organizational scrutiny as the United Nations Secretariat in terms of oversight of the managerial evaluation of three

candidates. Notwithstanding the ongoing push towards personal and professional accountability for hiring managers, ITC will amend its consultant hiring process to ensure that the names of any potential consultants who were considered, but not ultimately selected, are made explicit together with the reasons for their non-selection.

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

18. **In paragraph 40, the Board recommended that ITC seek to quality assure performance evaluations of consultants.**

19. In the future, ITC will be rolling out a new online consultant appraisal tool that will incorporate a quality assurance element.

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

B. Implementation of the recommendations contained in the report of the Board of Auditors for the prior biennium

20. In the annex to its report for the biennium ended 31 December 2013 (A/69/5 (Vol. III), chap. II), the Board provided a summary of the status of implementation of recommendations from the previous financial period. The overall situation as at August 2014 regarding the eight recommendations assessed as "partially implemented" and/or "not implemented" by the Board is summarized in table 3. The information on the prior recommendations is set out in the order in which they are presented in the annex.

Table 3
Status of implementation of recommendations from the prior period considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or overtaken by events*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	3	–	3	–	–	–
Division of Programme Support and United Nations Secretariat	1	–	–	1	1	–
Office of the Executive Director	4	–	–	4	4	–
Total	**8**	**–**	**3**	**5**	**5**	**–**
Percentage	**100**	**–**	**38**	**62**		

Report of the Board for the biennium ended 31 December 2011[2]

21. In paragraph 31, ITC agreed with the Board recommendation that it review the methodology for charging programme support and ensure that the full costs of staff are charged to all projects. ITC will review the amount accrued and consider increasing the rate to include the funding of end-of-service liabilities.

22. The General Assembly, in its resolution 68/244, endorsed the implemented recommendation of the Advisory Committee on Administrative and Budgetary Questions to continue the "pay as you go" approach for the after-service health insurance liabilities for the regular budget at the present time. ITC follows the lead of the United Nations Secretariat for extrabudgetary-funded staff.

Department responsible:	Division of Programme Support and United Nations Secretariat
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

23. **In paragraph 50, the Board recommended that ITC clearly identify the objectives and envisaged benefits of the IPSAS project and develop a methodology to track and manage benefits realization.**

24. Please refer to the comments of ITC in paragraph 15 above to the recommendation in paragraph 29 of the Board's report for the biennium ended 31 December 2013.

Department responsible:	Division of Programme Support and United Nations Secretariat
Status:	Implemented
Priority:	High
Target date:	Not applicable

25. **In paragraph 51, the Board recommended that ITC enhance its organization-wide change management programme for IPSAS by specifying how senior management in each business unit must take ownership of and drive the delivery of the intended benefits during and after IPSAS implementation.**

26. Please refer to the comments of ITC in paragraph 15 above to the recommendation in paragraph 29 of the Board's report for the biennium ended 31 December 2013.

[2] A/67/5 (Vol. III), chap. II.

Department responsible:	Division of Programme Support and United Nations Secretariat
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

27. **In paragraph 59, the Board recommended that ITC: (a) when reporting its achievement indicators, provide accompanying commentary and data that illustrate the extent to which the number of entities reporting improvements attributable to ITC are located in priority or less developed countries; (b) integrate its selected performance indicators with published synthesis reporting of its periodic detailed evaluation of programmes, to provide deeper insight and assurance on the existence of improvements and their attribution to ITC input; and (c) reduce the inconsistency and variation in the reported achievement indicators by producing detailed data definitions and guidance notes as soon as possible after the agreement of the indicators and well before 1 January 2014.**

28. This recommendation is under implementation.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

29. **In paragraph 60, the Board recommended that ITC consult with its stakeholders and other trade promotion agencies to ensure harmonization of reporting, and that the burdens implied by its own requirements be sustainable.**

30. ITC recently convened a seminar on exploring a common framework for impact assessment in Aid for Trade. As a follow-up to this, ITC will coordinate with its donors to explore better harmonization of donor reporting requirements. ITC has joined the Donor Committee for Enterprise Development, including its working group on results measurement, and co-hosted its annual meeting, held from 8 to 10 July 2014. ITC is working towards implementing the International Aid Transparency Initiative standard.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

31. **In paragraph 65, the Board reiterated its recommendation to establish a link between achievements and the resources allocated and to use data on underachievement to inform the reallocation of funds.**

32. ITC has deferred full implementation to December 2015 following a well-received pilot. Since 2013, ITC has established quarterly performance reviews across the technical assistance portfolio. Budgets on underperforming projects have been reduced and freed up resources allocated to projects that are better able to use them.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

33. **In paragraph 66, the Board recommended that ITC engage with the Umoja implementation team to secure the adoption of human resources time capture.**

34. ITC has been advised that Umoja will not have the time capture functions and that ITC will not be able to influence this system-wide business transformation project on its own.

Department responsible:	Division of Programme Support
Status:	Overtaken by events
Priority:	Medium
Target date:	Not applicable

35. **In paragraph 80, the Board recommended that ITC, with immediate effect, require both peer reviewers and senior management to seek evidence of detailed planning for at least the early phases of work following initiation.**

36. Although ITC has made progress in incorporating more detailed inception phase planning in its project design and quality assurance process, it does not yet have any resulting examples of detailed planning for operational projects beyond project initiation.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

III. United Nations University

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2013[3]

37. The status of implementation of the main recommendations as at August 2014 is summarized in table 4.

[3] A/69/5 (Vol. IV), chap. II.

Table 4
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of the Rector	2	1	–	1	1	–
Total	**2**	**1**	**–**	**1**	**1**	**–**
Percentage	**100**	**50**	**–**	**50**		

38. The status of implementation of all recommendations as at August 2014 is summarized in table 5.

Table 5
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Administration	6	–	2	4	4	–
Office of the Rector	5	1	1	3	3	–
Total	**11**	**1**	**3**	**7**	**7**	**–**
Percentage	**100**	**9**	**27**	**64**		

39. **In paragraph 17, the United Nations University (UNU) agreed with the Board's recommendation that UNU clearly define the nature and scope of the academic programme budget and ensure that the academic programme budget is formulated according to UNU instructions.**

40. UNU will clarify the nature of allocations for academic programmes and those for general expense and other costs which directly support the implementation of academic activities. This will be formulated as part of the guidelines for the academic programme and budget for the 2016-2017 biennium, which will be prepared in 2015.

Department responsible: Office of the Rector

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

41. **In paragraph 21, the Board recommended that UNU: (a) continue its effort to finalize its policy position paper regarding financial instruments; (b) expedite updating pending business procedures in order to ensure full compliance with IPSAS; and (c) consider developing an IPSAS benefit realization plan to allow for full achievement of benefits as expected by IPSAS.**

42. The documents have been drafted and final reviews are being carried out.

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

43. **In paragraph 30, the Board recommended that UNU: (a) establish a formal cooperation agreement with the Japan Foundation for UNU to clearly identify respective roles and responsibilities; and (b) develop appropriate accounting policies regarding how UNU will account for the gross proceeds from and the retentions made by the Foundation in preparation for IPSAS implementation.**

44. UNU does not accept this recommendation, as there is no need for a formal agreement to guide the ongoing and highly functional 25-year relationship between UNU and the Japan Foundation for UNU. There are frequent direct meetings between UNU and Foundation officials. As the Foundation is a completely separate legal entity operating under Japanese national law, it would not be appropriate to account for the gross proceeds from and the retentions made by the Foundation within UNU accounts as a part of IPSAS preparations.

Department responsible:	Office of the Rector
Status:	Not accepted
Priority:	High
Target date:	Not applicable

45. **In paragraph 35, UNU agreed with the Board's recommendation that it develop relevant guidelines for project management and include performance indicators, baselines and other key elements in the project plan in the future.**

46. UNU will explore with its academic staff the possibilities for developing performance indicators, baselines and key elements in project plans. However, attention is drawn to the nature of the research process, which does not lend itself directly to specific performance indicators or benchmarks. UNU has engaged with several sets of auditors on the question of relevant performance indicators or benchmarks in relation to specific academic projects and has yet to receive relevant professional advice in this regard.

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

47. **In paragraph 40, UNU agreed with the Board's recommendation that it: (a) refine the Pelikan system by prioritizing the development of new features that enhance its relevance for the end users, including managers with a focus on financial data and alert mechanisms; and (b) conduct spot checks on project**

implementation in accordance with the programme and project management manual.

48. UNU is exploring the possibilities for enhancing the functionality of the Pelikan system and its linkages to financial data in the Atlas system. Some of the earlier envisaged features of Pelikan could not be developed because of the implementation schedule and required closure of the development process by the end of October 2013. Development of such end-user enhancements will depend on the availability of the necessary budgetary resources.

Department responsible:	Office of the Rector
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

49. **In paragraph 44, UNU agreed with the Board's recommendation that it strictly follow the requirement of the United Nations Procurement Manual and strengthen the planning process by developing an office-wide annual procurement plan.**

50. UNU has an acquisition plan in place for the biennium 2014-2015. This practice will continue in future bienniums as well.

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

51. **In paragraph 48, UNU agreed with the Board's recommendation to ensure that the UNU Institute for Water, Environment and Health strictly comply with the United Nations Procurement Manual in order to ensure sufficient competition and the control of procurement procedure.**

52. The Institute has implemented the justification for waiver of competitive bidding form, where applicable.

Department responsible:	Administration
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

53. **In paragraph 52, UNU agreed with the Board's recommendation to: (a) speed up the finalization of the guidelines for vendor performance evaluation; and (b) ensure that the vendor performance evaluation reports be produced in a timely manner.**

54. UNU is currently adhering to the United Nations Procurement Manual, which states that vendors supplying goods and services to UNU must be evaluated

periodically to ensure that they have fulfilled contract requirements and to take note of any non-performance issues for future contract awards.

Department responsible:	Administration
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

55. **In paragraph 55, UNU agreed with the Board's recommendation to: (a) revise the performance evaluation report on personnel service agreements in order to remind management to undertake corresponding procedures that comply with the UNU personnel policy; and (b) develop an administrative instruction to specify the definition of "duration of service".**

56. The performance evaluation report has been revised, and UNU is in the process of developing the administrative instruction.

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

57. **In paragraph 58, UNU agreed with the Board's recommendation to ensure that the UNU World Institute for Development Economics Research take measures to enhance the transparency and documentation of the consultant selection and recruitment process.**

58. The Institute is taking steps to maintain all related recruitment records and ensure that the competitive recruitment process is being followed.

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2014

59. **In paragraph 62, UNU agreed with the Board's recommendation to strictly comply with the guidelines on property management and inventory control at the University.**

60. UNU has established standard operating procedures and formally assigned roles and responsibilities for each organizational unit to ensure compliance.

Department responsible:	Administration
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

B. Implementation of the recommendations contained in the report of the Board of Auditors for the prior biennium

61. In the annex to its report for the biennium ended 31 December 2013 (A/69/5 (Vol. IV), chap. II), the Board provided a summary of the status of implementation of recommendations from the previous financial period. The overall situation as at August 2014 regarding the three recommendations assessed as "under implementation" by the Board is summarized in table 6. The information on prior recommendations is set out in the order in which they are presented in the annex.

Table 6
Status of implementation of recommendations from the prior period considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Administration	2	–	–	2	2	–
Office of the Rector	1	–	–	1	1	–
Total	**3**	**–**	**–**	**3**	**3**	**–**
Percentage	**100**	**–**	**–**	**100**		

Report of the Board for the biennium ended 31 December 2011[4]

62. **In paragraph 39, UNU agreed with the Board's recommendations that it: (a) establish a mechanism for the effective coordination and monitoring of projects and programmes; and (b) conduct an annual "spot check" whereby a selected number of projects would be evaluated.**

63. A pilot project to spot check up to three projects and evaluate adherence to the programme and planning guidelines will be conducted early in 2015.

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

64. **In paragraph 42, UNU agreed with the Board's recommendations that it: (a) strictly follow the requirements set out in the Procurement Manual; and (b) conduct a formal extension process with regard to the contract in a timely manner.**

65. UNU has undertaken a new formal solicitation process and expects to complete it by the end of 2014.

[4] A/67/5 (Vol. IV), chap. II.

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

66. **In paragraph 54, UNU agreed with the Board's recommendations that it: (a) develop a detailed formula and policy guidelines for determining the remuneration scale for temporary contractors engaged by the University; and (b) ensure that the approval of consultant contracts is authorized in accordance with the University's personnel policy.**

67. At present, a remuneration standard for temporary contractors is being used in selected locations, and UNU is reviewing if it is necessary for the remaining locations. Consultant contracts are approved in compliance with the UNU personnel policy.

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

IV. United Nations Development Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2013[5]

68. The status of implementation of the main recommendations as at August 2014 is summarized in table 7.

Table 7
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Regional bureaux	5	–	5	5	–
Regional Bureau for Latin America and the Caribbean	1	–	1	1	–
Office of Information Systems and Communication Technology	1	–	1	1	–
Office of Financial Resources Management	1	–	1	1	–
Bureau for Policy and Programme Support and Strategic Change Implementing Group	1	–	1	1	–
Total	**9**	**–**	**9**	**9**	**–**
Percentage	**100**	**–**	**100**		

[5] A/69/5/Add.1, chap. II.

69. The status of implementation of all recommendations as at August 2014 is summarized in table 8.

Table 8
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Regional bureaux	16	–	16	16	–
Office of Financial Resources Management	4	–	4	4	–
Office of Human Resources and Office of Information Systems and Communication Technology	2	–	2	2	–
Office of Audit and Investigations	1	1	–	–	–
Regional Bureau for Latin America and the Caribbean	1	–	1	1	–
Regional Bureau for Africa and Nigeria country office	1	–	1	1	–
Office of Information Systems and Communication Technology	1	–	1	1	–
Regional bureaux and Procurement Support Office	1	-	1	1	
Bureau for Policy and Programme Support and Strategic Change Implementing Group	1	–	1	1	–
Total	**28**	**1**	**27**	**27**	–
Percentage	**100**	**4**	**96**		

70. **In paragraph 28, the United Nations Development Programme (UNDP) agreed with the recommendation of the Board that it: (a) establish an appropriate quality assurance mechanism to further improve the consistent implementation of the performance indicators; and (b) include appropriate baselines and targets for expected outputs for all its approved projects in the annual workplan and the integrated annual workplan.**

71. A project-level quality assurance system is being rolled out to all country offices in 2014. It provides specific guidance and standards for rigorous results-based reporting in support of the UNDP annual plan and strategic plan for 2014-2017.

Department responsible:	Bureau for Policy and Programme Support and Strategic Change Implementing Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

72. **In paragraph 29, the Board recommended that UNDP: (a) regularly reconcile performance indicators, baselines and targets contained in the annual workplans and those in the integrated annual workplans; and (b) ensure the timely approval of the annual project workplans.**

73. The reconciliation between the integrated annual workplan and the annual workplan is already a fully automated process. Regional bureaux will monitor progress and work with country offices in cases of exceptional delay from 2015 onward.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

74. **In paragraph 36, UNDP agreed with the Board's recommendation that it: (a) work with government counterparts to ensure that the annual project workplans are approved in a timely manner; and (b) monitor the progress of project implementation at the country level to avoid delays during implementation.**

75. This requires reciprocal actions from counterparts in programme countries. Regional bureaux will monitor cases of exceptional delays in the approval of annual workplans, as well as projects with significant delays in their start dates.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

76. **In paragraph 41, the Board recommended that UNDP review projects at its country offices to ensure that they cover mainstreamed activities addressing the thematic areas adopted by UNDP.**

77. Regional bureaux will review country office plans in supporting the development priorities of their respective government partners as part of the annual business plan process initiated by the Strategy and Change Implementation Group.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

78. **In paragraph 43, the Board recommended that UNDP implement projects according to the annual workplans and address deviations from planned implementation in a robust and a timely manner.**

79. Subject to the approval of the relevant project governance board, an annual workplan could be revised at the country office level as required. Regional bureaux will work with country offices, as needed, to ensure that project boards approve significant deviations from approved workplans.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

80. **In paragraph 49, UNDP agreed with the recommendation of the Board that it comply with its Financial Regulations and Rules and its Programme and Operational Procedures and Policies and that it continue to build on current efforts to ensure the diligent monitoring by the regional bureaux and the prioritizing of the financial closure of the remaining tranches of identified operationally closed projects.**

81. Regional bureaux will prioritize the remaining cases of projects to be financially closed and monitor the progress of cases with significant delays.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

82. **In paragraph 53, UNDP agreed with the Board's recommendation that it ensure that the project completion checklist is used consistently for the financial closure of development projects, including the preparation of final review reports.**

83. Regional bureaux will work with country offices to ensure that project completion checklists and final review reports are prepared for projects to be closed in 2014.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

84. **In paragraph 57, UNDP agreed with the recommendation of the Board that it prepare and submit the combined delivery reports in a timely manner in compliance with the Programme and Operations Policies and Procedures.**

85. This is an ongoing activity performed at the country office level. Regional bureaux will establish a mechanism to monitor the timeliness of combined delivery report submission by the country offices.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

86. **In paragraph 63, UNDP agreed with the recommendation of the Board that it: (a) prepare quarterly progress reports for the country office as required by the Programme and Operations Policies and Procedures; (b) regularly update the risks log in the Atlas system; and (c) conduct project field visits and prepare and file reports, as required by the Programme and Operations Policies and Procedures.**

87. This is an ongoing activity. Regional bureaux will work with country offices to ensure and monitor compliance.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

88. **In paragraph 67, the Board recommended that UNDP ensure that annual workplans are prepared for all projects in Nigeria as required by the UNDP Handbook on Planning, Monitoring and Evaluating for Development Results.**

89. The Nigeria country office will recruit a full-time monitoring and evaluation analyst and ensure that more robust planning systems are in place to prepare and revise annual workplans, in line with the guidance in the Programme and Operations Policies and Procedures.

Department responsible:	Regional Bureau for Africa and UNDP Nigeria
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

90. **In paragraph 72, UNDP agreed with the recommendation of the Board that it take appropriate action to include in the audit plans projects that have never been audited but whose cumulative expenses since inception exceed $0.3 million through the revision and clarification of the criteria to be applied and by considering all expenses recorded by the date set for submission of the audit plan.**

91. The necessary clarifications and revisions have already been made to the draft updates to the non-governmental organizations/national implementation audit policy in the Programme and Operations Policies and Procedures. These revisions and clarifications are being included in the next cycle of project audits that are due to be undertaken in 2015 (to cover expenditure for the 2014 financial year).

Department responsible:	Office of Audit and Investigations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

92. **In paragraph 77, UNDP agreed with the recommendation of the Board that it direct all regional bureaux to work closely with country offices to ensure that the instructions of the Office of Audit and Investigations are complied with and that all audit reports are submitted within the required period or as subsequently agreed with the Office of Audit and Investigations.**

93. Regional bureaux will establish and/or enhance their mechanism for monitoring the timeliness of submission of audit reports and follow up with country offices on exceptional cases, in consultation with the Office of Audit and Investigations.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

94. **In paragraph 80, UNDP agreed with the recommendation of the Board that it ensure that regional bureaux set realistic implementation target dates and monitor the implementation of long-outstanding audit recommendations (more than 18 months) involving implementing partners.**

95. Regional bureaux will establish and/or enhance their mechanism for monitoring the implementation of long-outstanding audit recommendations involving implementing partners.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

96. **In paragraph 84, UNDP agreed with the recommendation of the Board that it review the causes of recurring modified audit opinions and take remedial action, as required, through engaging the regional bureaux and respective implementing partners.**

97. Regional bureaux will work with relevant country offices to implement measures, including alternate cash transfer modality, for nationally implemented projects with modified audit opinions for three consecutive years.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

98. **In paragraph 91, UNDP agreed with the recommendation of the Board that it: (a) assess risks surrounding executing the national implementation modality to find out why assurance procedures other than an audit could not detect the suspected irregular procurement procedures and improve controls; and (b) continue engaging with the partner Government to ascertain more facts about the matter in order to establish the actual loss the projects suffered and possibilities of recovery from the individuals involved.**

99. Since this is a country-specific issue, the Regional Bureau for Latin America and the Caribbean, in consultation with the Office of Financial Resources Management and the Office of Audit and Investigations, will work with the country office to perform the necessary review and assessment.

Department responsible:	Regional Bureau for Latin America and the Caribbean
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

100. **In paragraph 94, UNDP agreed with the recommendation of the Board that, unless there is a bilateral agreement with the donor(s) concerned, it make every effort to refund amounts due to donors and clear all balances exceeding 90 days in the 2013 account (refunds pending to donors) as required by the Programme and Operations Policies and Procedures and year-end closure instructions.**

101. The Office of Financial Resources Management will consider additional measures, including a possible comprehensive clause in agreements on the treatment of unspent balances beyond 90 days.

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

102. **In paragraph 101, UNDP agreed with the recommendation of the Board that it: (a) enforce its guidance notes to country offices on the implementation of the revised harmonized approach to cash transfers framework; and (b) follow up with regional bureaux and work with country offices to ensure that pending macro- and microassessments for the respective programming cycle are conducted as planned.**

103. The guidance notes for the harmonized approach to cash transfers have been approved and are being promulgated. Regional bureaux will establish and/or enhance their mechanism for monitoring the implementation of pending micro- or macroassessments.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

104. **In paragraph 107, UNDP agreed with the recommendation of the Board that it work with the World Health Organization (WHO) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to clarify the propriety of the payable/receivable balances, including references to specific accounting policies (if different from UNDP) when confirming their balances to the Board.**

105. The Office of Financial Resources Management will proactively communicate with WHO and UNRWA to confirm accounting polices used and clarify the nature of items requiring confirmation at year's end.

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

106. **In paragraph 112, UNDP agreed with the recommendation of the Board that it: (a) develop a consolidated procurement plan in accordance with the programme cycle at the country office; and (b) ensure that country offices upload their procurement plans in the repository designed at UNDP headquarters.**

107. Regional bureaux will establish and/or enhance their mechanism for monitoring the uploading and implementation of consolidated procurement plans at the country office level in the repository designed at UNDP headquarters.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

108. **In paragraph 114, UNDP agreed with the recommendation of the Board that it ensure that all members of the evaluation committees who are non-UNDP staff sign a declaration of impartiality to declare their non-conflict of interest as required under the Programme and Operations Policies and Procedures.**

109. Regional bureaux, in consultation with the Procurement Support Office, will establish and/or enhance their mechanism to ensure compliance with the requirement.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

110. **In paragraph 117, the Board recommended that UNDP closely follow up with the implementing partners to ensure that the delivery of goods and services is made without delay and according to signed contracts; and that the signing of confirmation-of-delivery reports is done in a timely manner.**

111. Regional bureaux, in consultation with the Procurement Support Office, will establish, enhance and/or leverage their existing mechanism to ensure compliance with the requirement.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

112. **In paragraph 120, UNDP agreed with the recommendation of the Board that it: (a) ensure that country offices comply with the Service Contract User Guide in relation to the hiring of staff on service contracts and the proper timing of performance evaluations; and (b) review the current service contractor modality and policy, including the nature of project-related work at the country offices and associated service contract performance evaluation requirements.**

113. Regional bureaux will work with the country offices concerned to address the specific issues identified. In addition, the Procurement Support Office, in consultation with regional bureaux, will review the current service contracts policy.

Department responsible:	Regional bureaux and Procurement Support Office
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

114. **In paragraph 124, UNDP agreed with the recommendation of the Board that it review the after-service health insurance funding plan on a regular basis and develop an appropriate funding strategy so that the funding plan remains viable.**

115. The Office of Financial Resources Management will review the existing funding strategy annually when results of actuarial studies become available.

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

116. **In paragraph 129, UNDP agreed with the recommendation of the Board that it review the current Atlas payroll profiles to restrict the granting of conflicting roles in line with the internal control framework on payroll administration.**

117. This matter relates to specific user profiles required by the Benefits and Entitlements Section in Copenhagen, which is not specifically detailed in the current internal control framework. The Office of Human Resources will work with the Office of Information Systems and Communication Technology, in consultation with the Office of Financial Resources Management, to review, create and revise profiles, as needed, to meet the workflow requirements within the payroll unit.

Department responsible:	Office of Human Resources and Office of Information Systems and Communication Technology
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

118. **In paragraph 134, UNDP agreed with the recommendation of the Board that it: (a) institute a rigorous monitoring mechanism to ensure that terminated employees are deactivated in the Atlas system without delay; and (b) consider options to mitigate situations involving future-dated separations to ensure that terminated employees do not have unauthorized access to the Atlas system.**

119. Regarding part (a) of the recommendation, reports have been made available to the Atlas role generation and user provisioning system focal points, and other monitoring options are being discussed. Regarding part (b), a patch has been tested and installed in the production environment of the Atlas system.

Department responsible:	Office of Information Systems and Communication Technology
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

120. **In paragraph 138, UNDP agreed with the recommendation of the Board that it implement an automated e-mail notification to staff members and their supervisors for approvals of advance leave beyond the approved limit of 10 days.**

121. The Office of Human Resources will work with the Office of Information Systems and Communication Technology to ensure that, upon request for advance leave through eServices, the senior manager and the supervisor concerned will be notified automatically.

Department responsible:	Office of Human Resources and Office of Information Systems and Communication Technology
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

122. **In paragraph 141, UNDP agreed with the recommendation of the Board that it ensure that country offices establish updated disaster recovery plans and utilize them.**

123. Regional bureaux, in collaboration with the Bureau of Management, will establish and/or enhance, as needed, a mechanism to monitor the implementation of updated disaster recovery plans with specific priority for countries with special development needs and/or risks.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

124. **In paragraph 144, UNDP agreed with the recommendation of the Board that it: (a) monitor the uploading of inventory certificates to ensure that it is done in a timely manner; (b) monitor and control reports from the country offices and attend to issues raised in those reports; and (c) deal with exceptional cases of delayed submissions by the country offices.**

125. The Office of Financial Resources Management will enhance its mechanism for monitoring the timeliness of uploads of inventory certification and ensure the necessary follow-up as part of the year-end closing process.

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

126. In annex I to its report for the year ended 31 December 2013 (A/69/5/Add.1, chap. II) the Board provided a summary of the status of implementation of

recommendations from previous financial periods. The overall situation as at August 2014 regarding the 22 recommendations assessed as "under implementation" by the Board is summarized in table 9. The information on prior recommendations is set out in the order in which they are presented in annex I.

Table 9
Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the biennium ended 31 December 2013

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Regional bureaux	9	1	8	8	–
Office of Financial Resources Management	6	5	1	1	–
Procurement Support Office	2	–	2	2	–
Office of Human Resources	2	2	–	–	–
Regional Bureau for Asia and the Pacific	1	1	–	–	–
Capital Development Fund	1	1	–	–	–
Office of Human Resources/Office of Information Systems and Communication Technology	1	–	1	1	–
Total	**22**	**10**	**12**	**12**	**–**
Percentage	**100**	**45**	**55**		

Report of the Board for the biennium ended 31 December 2011[6]

127. **In paragraph 33, UNDP agreed with the Board's recommendation to seek further cooperation from its partners in managing refunds, and improve related monitoring processes.**

128. Donor refund balances have been reduced significantly. Close monitoring and improved controls are in place for facilitating account reconciliation. Combo-edit controls for certain chart fields were introduced.

Department responsible:	Office of Financial Resources Management
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

129. **In paragraph 53, UNDP agreed with the Board's recommendation to: (a) obtain confirmation of balances from UNOPS prior to closure of its account and perform a reconciliation of inter-fund balances; (b) obtain semi-annual reports and certifications from UNOPS; and (c) establish an adequate validation for the amounts provided by UNOPS before it processes the managed service arrangements transactions.**

[6] A/67/5/Add.1, chap. II.

130. UNDP has ensured that there were signed quarterly reconciliations with UNOPS in 2013. UNDP obtained confirmation on managed service arrangements transactions semi-annually in 2013 and adequate validation was performed.

Department responsible:	Office of Financial Resources Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

131. **In paragraph 62, UNDP agreed with the Board's recommendation to formulate funding plans for end-of-service liabilities relating to accrued leave and termination and repatriation benefits.**

132. UNDP has already established a 15-year after-service health insurance funding plan and reviews its funding strategy annually on the basis of revised actuary reports, when issued.

Department responsible:	Office of Financial Resources Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

133. **In paragraph 70, UNDP agreed with the Board's recommendation that UNDP regional bureaux consider the results of the nationally implemented modality audit process and work with implementing partners to address the weaknesses identified in that audit process. A focus should be on those implementing partners which have recurring negative reports.**

134. Regional bureaux have worked and will continue to work with the country offices concerned to take appropriate measures to address national implementation projects with negative audit reports for three consecutive years.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

135. **In paragraph 75, UNDP agreed with the Board's reiterated recommendation that through the regional bureaux it: (a) prioritize the financial closure of all operationally closed projects; and (b) address the causes of delays in the finalization of project closure.**

136. Regional bureaux have worked and will continue to work with the country offices concerned to prioritize the financial closure of relevant projects.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

137. **In paragraph 77, UNDP agreed with the Board's recommendation to enhance the quality of information regarding projects, through regular review of project information in Atlas.**

138. A major data clean-up was conducted in 2013 as part of UNDP participation in the International Aid Transparency Initiative. In addition, the project module in the Atlas system has been enhanced with better features for internal and donor reporting.

Department responsible:	Regional bureaux
Status:	Implemented
Priority:	High
Target date:	Not applicable

139. **In paragraph 79, UNDP agreed with the Board's recommendation that UNDP country offices monitor the receipt of quarterly combined delivery reports.**

140. Regional bureaux have worked and will continue to work with the country offices concerned to ensure timely reporting.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

141. **In paragraph 81, UNDP agreed with the Board's recommendation that country offices perform field visits and final project reviews to assess project performance and success and to improve on lessons learned.**

142. Regional bureaux have worked and will continue to work with the country offices concerned to ensure compliance with the established project quality standards.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

143. **In paragraph 104, UNDP agreed with the Board's reiterated recommendation to: (a) perform a regular review of buyer profiles in Atlas to ensure that only certified procurement staff have buyer profiles, and remove inappropriate profiles from Atlas; and (b) consider mechanisms aimed at improving the certification rate of personnel performing procurement functions.**

144. The certification rate for staff performing procurement functions has increased to 60 per cent compared with 40 per cent in 2011. The target is 80 per cent. In addition, the buyer profile in Atlas has been reviewed and training material updated with the implementation of IPSAS in 2012.

Department responsible:	Procurement Support Office
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

145. **In paragraph 115, the Board shared the findings and recommendations contained in the report of the Office of Audit and Investigations and underscored the need for UNDP to address the matters highlighted in its corporate procurement audit report.**

146. This relates to the 13 recommendations issued by the Office of Audit and Investigations on procurement, of which 10 have been implemented. The remaining 3 recommendations require policy changes and inter-agency discussion; thus, implementation has been delayed. The Procurement Support Office expects these pending recommendations to be implemented by the end of 2014.

Department responsible:	Procurement Support Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

147. **In paragraph 127, UNDP agreed with the Board's reiterated recommendation that it: (a) improve all controls over leave administration to ensure accurate leave balances; and (b) prioritize addressing weaknesses in leave management.**

148. Reconciliation issues with manual leave forms have been addressed with the full roll-out of the absence module in Atlas in 2012 and 2013, which requires electronic leave requests and approval for all UNDP offices.

Department responsible:	Office of Human Resources
Status:	Implemented
Priority:	High
Target date:	Not applicable

Report of the Board for the year ended 31 December 2012[7]

149. **In paragraph 23, the Board recommended that, in order to further enhance its IPSAS financial statements, UNDP: (a) consider the inclusion of all its budgeted resources in the statement of comparison of budget and actual**

[7] A/68/5/Add.1, chap. II.

amounts in order to enhance comparability and understandability of the statement; and (b) perform case-by-case determination of net realizable value/ current replacement cost of inventory instead of using a generalized formula.

150. Regarding part (a) of the recommendation, UNDP is now fully compliant with IPSAS 24, Presentation of budget information in financial statements. Regarding part (b), the inventory valuation methodology has been refined.

Department responsible:	Office of Financial Resources Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

151. **In paragraph 27, UNDP agreed with the Board's recommendation that it review (preferably annually) the after-service health insurance liability funding plan to ensure that it remains appropriate.**

152. UNDP has already established a 15-year funding plan for the after-service health insurance liabilities and reviews the plan annually when a new actuary report is issued.

Department responsible:	Office of Financial Resources Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

153. **In paragraph 34, the Board recommended that UNDP: (a) monitor and track projects' implementation progress reports and ensure that they are completed on time; and (b) ensure that country offices update the status of projects in the Atlas system and actively address causes of delays in the completion of projects.**

154. Regional bureaux have worked and will continue to work with country offices to monitor and assess reasons for significant delays in the implementation of approved project plans.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

155. **In paragraph 39, UNDP agreed with the Board's reiterated recommendation on ensuring that all regional bureaux are working closely with country offices, and ensuring that instructions of the Office of Audit and Investigations are complied with and that all audit reports are submitted within the required period.**

156. Regional bureaux have worked and will continue to work with country offices to monitor the timely submission of national implementation/national execution audit reports for the new fiscal year.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

157. **In paragraph 44, UNDP agreed with the Board's recommendation that it take appropriate action to address the causes of recurring modified audit opinions through engaging the regional bureaux and respective implementing partners. Enhancing review of the cash transfer modalities would also provide additional assurance over amounts spent by implementing partners.**

158. Regional bureaux have worked and will continue to work with relevant country offices to assess the causes of recurring modified audit opinions and review the existing cash transfer modality of national implementation projects that have modified audit opinions for three consecutive years.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

159. **In paragraph 46, UNDP agreed with the Board's recommendation that it: (a) ensure that for any future project, it further strengthen the identification and assessment of inherent external risks that may hamper project implementation and establish mitigating tactics; (b) consider a retrospective audit of the Justice and Human Rights in Afghanistan project from its inception to its closure in order to identify lessons for future projects; (c) revisit the project expenses incurred for the period from July to December 2009 and ensure that there was no duplicate expense on the same activities for the project against activities implemented by the Strengthening the Justice System of Afghanistan or the Access to Justice at the District Level projects.**

160. Supporting evidence was provided to the Board for parts (a) and (c) of the recommendation. For part (b), there was an agreement with the Office of Audit and Investigations.

Department responsible:	Regional Bureau for Asia and the Pacific
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

161. **In paragraph 56, UNDP agreed with the Board's recommendation to: (a) remind the country offices to prepare procurement plans and introduce**

regular review mechanisms to ensure that they meet the minimum information disclosure requirements of the Programme and Operations Policies and Procedures; and (b) ensure that consolidated procurement plans are in place to secure improved value for money that may arise from economies of scale and increased purchasing power.

162. Regional bureaux will remind and follow up with country offices that are without consolidated procurement plans for their approved programming cycles.

Department responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

163. **In paragraph 68, UNDP agreed with the Board's recommendation that it: (a) monitor compliance with the approved human resources management procedures in accordance with the Programme and Operations Policies and Procedures; and (b) improve the use of the eServices module of the Atlas system for monitoring the timely processing of human resources management activities.**

164. The eServices module has been implemented progressively since 2012 and at present includes Atlas-based leave application, absence reporting, and an enhanced staff performance assessment site and job application sites.

Department responsible:	Office of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

165. **In paragraph 74, UNDP agreed with the Board's recommendation that it: (a) improve the communication procedures between the Office of Human Resources and the Atlas role generation and user provisioning system focal points to ensure that user accounts for employees leaving the entity are disabled promptly; and (b) establish a more rigorous process to ensure that Atlas role generation and user provisioning system focal points perform regular review of user accounts and profiles in accordance with the internal control framework requirement.**

166. Part (a) of the recommendation has been implemented, as communication has been strengthened and security reports have been shared with Atlas role generation and user provisioning system focal points since March 2014. With respect to part (b), options are being discussed with business owners.

Department responsible:	Office of Human Resources and Office of Information Systems and Communication Technology
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

167. **In paragraph 84, UNDP agreed with the Board's recommendation that it develop an action plan to hand over expense management processing to the Global Shared Service Centre in order to make optimum use of the Centre.**

168. The action plan has been developed and approved and is expected to be implemented by the end of 2014.

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

V. United Nations Capital Development Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2013[8]

169. The status of implementation of the main recommendations as at August 2014 is summarized in table 10.

Table 10
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Regional Office for Southern and Eastern Africa	2	–	2	2	–
Financial Inclusion and Local Development Practice Areas	2	–	2	2	–
Executive Secretary and Management and Programme Support Unit	1	–	1	1	–
Total	**5**	**–**	**5**	**5**	**–**
Percentage	**100**	**–**	**100**		

[8] A/69/5/Add.2, chap. II.

170. The status of implementation of all recommendations as at August 2014 is summarized in table 11.

Table 11
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Regional Office for Southern and Eastern Africa	3	–	3	3	–
Financial inclusion and local development practice areas	3	–	3	3	–
Executive Secretary and Management and Programme Support Unit	1	–	1	1	–
Total	7	–	7	7	–
Percentage	**100**	–	**100**		

171. **In paragraph 19, the Board recommended that the United Nations Capital Development Fund (UNCDF) adopt and fully implement an enterprise-wide risk management process for the planning, monitoring and evaluating stages of its programmes and operational activities in line with its enterprise risk management framework.**

172. UNCDF will work with UNDP to explore ways to have access to the existing UNDP platform. Currently, UNCDF has an internal tool to monitor risks and ensure that it tracks the progress of the programme delivery systematically from a programmatic point of view, as well as the financial delivery. By reviewing the tool on a weekly basis, UNCDF is able to respond to issues that may arise at the early stages of the implementation process and, consequently, make the decisions or take the corrective measures necessary to tackle problems, if any, thus reducing those risks substantially.

Department responsible:	Executive Secretary and Management and Programme Support Unit
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

173. **In paragraph 24, UNCDF agreed with the Board's recommendations that it require all its country offices to prepare combined delivery reports and ensure that they are signed by counterparts in a timely manner, in accordance with the requirements of the Programme and Operations Policies and Procedures.**

174. UNCDF has noted the recommendation. However, the observed issue should be the timely signing of the combined delivery report with the counterparts and not the preparation of the combined delivery report, which is always ready immediately after the financial closure of each quarter.

Department responsible:	Regional Office for Southern and Eastern Africa
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

175. **In paragraph 30, UNCDF agreed with the Board's recommendation that it: (a) ensure that its completed projects are closed in a timely manner, as stated in the Programme and Operations Policies and Procedures; (b) obtain from the beneficiaries duly certified receipts for the transferred assets to avoid any risk that loses will occur without detection by management; and (c) comply with the requirements of the Programme and Operations Policies and Procedures by refunding the balance or seek the consent of the donor with respect to applying the funds to other unearmarked activities.**

176. Management will ensure full compliance with the Programme and Operations Policies and Procedures.

Department responsible:	Financial Inclusion and Local Development Practice Areas
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

177. **In paragraph 33, UNCDF agreed with the Board's recommendation that it improve its assurance of financial information by auditing any project that entails cumulative expenses of $300,000 during a particular year in accordance with the requirements of the Programme and Operations Policies and Procedures.**

178. Management will ensure full compliance with the Programme and Operations Policies and Procedures with regard to the audit of national implementation projects.

Department responsible:	Regional Office for Southern and Eastern Africa
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

179. **In paragraph 37, UNCDF agreed with the Board's recommendation that it: (a) ensure that, wherever the posts of Programme Officers have been abolished, an appropriate handover mechanism is established to ensure that their responsibilities are assigned to other designated officers for proper project delivery; (b) perform final project evaluations that were supposed to be completed in 2013; and (c) sign a memorandum of understanding with UNDP for the monitoring and management of the two remaining global projects scheduled to be finalized in 2017.**

180. Management will: (a) ensure that there are proper handover mechanisms whenever posts are abolished; (b) perform final project evaluation; and (c) sign a memorandum of understanding with UNDP for the remaining global projects.

Department responsible:	Regional Office for Southern and Eastern Africa
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

181. **In paragraph 41, UNCDF agreed with the Board's recommendation that it prepare complete annual workplans with performance indicators, baseline information and targets to conform with the results-based-budgeting framework as required by the Programme and Operations Policies and Procedures.**

182. Management will ensure that annual workplans are prepared as required by the Programme and Operations Policies and Procedures and that they include performance indicators, baseline information and targets.

Department responsible:	Financial Inclusion and Local Development Practice Areas
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

183. **In paragraph 44, UNCDF agreed with the Board's recommendations that it monitor its budget performance closely and ensure that any emerging challenges to budget implementation are addressed in a timely manner.**

184. Management acknowledges the recommendation.

Department responsible:	Financial Inclusion and Local Development Practice Areas
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

B. Implementation of the recommendations of the Board of Auditors for prior financial periods

185. In the annex to its report for the year ended 31 December 2013 (A/69/5/Add.2, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2014 regarding the three recommendations assessed as "under implementation" by the Board is summarized in table 12. The information on prior recommendations is set out in the order in which they are presented in the annex.

Table 12

Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Management Support Unit	2	–	1	1	1	
Financial Inclusion Practice Area	1	–	–	1	1	–
Total	**3**	**–**	**1**	**2**	**2**	**–**
Percentage	**100**	**–**	**33**	**67**		

Report of the Board for the biennium ended 31 December 2011[9]

186. **In paragraph 145, UNCDF agreed with the Board's recommendation to: (a) perform regular reviews and reconciliations of the general ledger to detect errors; (b) subject its accounts to a review and challenge during the financial statement preparation process to ensure that financial information presented is accurate and a complete reflection of the activities that have occurred; and (c) review the level at which the operational reserve is maintained to ensure that maximum funds are available for programme activities.**

187. UNCDF already has in place a system of timely reconciliations of general ledgers by preparing regular analysis of accounts. As a result, the closing of the 2012 and 2013 financial periods and the preparation of financial statements went smoothly, and all the balances reflected were complete and reconciled. This was confirmed by the unqualified audit opinions issued by the Board for UNCDF for both the 2012 and 2013 financial periods.

Department responsible:	Management Support Unit
Status:	Implemented
Priority:	High
Target date:	Not applicable

Report of the Board for the year ended 31 December 2012[10]

188. **In paragraph 23, UNCDF agreed with the Board's recommendation that it: (a) liaise with UNDP and agree on the urgent clearance of the loan policy, which is the instrument governing UNCDF loans provisions; (b) appropriately impair all overdue loans following the approval of the loan policy; and (c) disclose in the financial statements the interest accrued of $113,000 for adjustment after the reporting date.**

189. The UNCDF loan policy was reviewed and cleared by UNDP and is now IPSAS-compliant as required by IPSAS 28, Financial instruments: presentation, IPSAS 29, Financial instruments: recognition and measurement, and IPSAS 30, Financial instruments: disclosures. A loan impairment analysis was completed and

[9] A/67/5/Add.1, chap. II.

[10] A/68/5/Add.14, chap. II.

the amount was disclosed in the financial statements for the year ended 31 December 2013. However, the official signing of the loan policy is still outstanding, and it will be finalized before the end of 2014.

Department responsible:	Financial Inclusion Practice Area
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

190. **In paragraph 27, UNCDF agreed with the Board's recommendation that it re-examine the procurement process followed to establish the rationale for the evaluation team accepting the additional clarification and the substantial changes of the original proposal and the evaluation scores.**

191. UNCDF has invited the UNDP Office of Audit and Investigations to carry out an audit of the procurement process as recommended, and the audit was taking place at the time of writing.

Department responsible:	Management Support Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

VI. United Nations Children's Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2013[11]

192. The status of implementation of the main recommendations as at August 2014 is summarized in table 13.

Table 13
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Field Results Group	5	–	–	5	5	–
Private Fundraising and Partnerships Division	3	–	–	3	3	–
Data, Research and Policy	1	–	1	–	–	–
Division of Financial and Administrative Management	1	–	–	1	1	–
Total	**10**	**–**	**1**	**9**	**9**	**–**
Percentage	**100**	**–**	**10**	**90**		

[11] A/69/5/Add.3, chap. II.

193. The status of implementation of all recommendations as at August 2014 is summarized in table 14.

Table 14
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Field Results Group	7	–	–	7	7	–
Division of Financial and Administrative Management	3	–	1	2	2	–
Private Fundraising and Partnerships Division	3	–	–	3	3	–
Data, Research and Policy	2	–	1	1	1	–
Supply Division	1	–	–	1	1	–
Supply Division and Division of Human Resources	1	–	–	1	1	–
Total	**17**	**–**	**2**	**15**	**15**	**–**
Percentage	**100**	**–**	**12**	**88**		

194. **In paragraph 16, the Board recommended that the United Nations Children's Fund (UNICEF) consider reassessing the useful lives of assets to reflect economic realities and fair presentation.**

195. UNICEF performs a high-level review of the useful lives of its assets on an annual basis.

Department responsible: Division of Financial and Administrative Management

Status: Implemented

Priority: Medium

Target date: Not applicable

196. **In paragraph 24, the Board recommended that UNICEF: (a) collect donor agreements from all National Committees and ensure that all retentions of "other resources" by National Committees are made known to and approved by donors; and (b) ascertain reasons for high retention rates and take measures to maximize the regular resources from National Committees.**

197. UNICEF will continue to collect donor agreements for contributions greater than $100,000. Donor agreements are established independently by National Committees. They are based on standards and practices applicable locally and the terms are not governed by UNICEF. However, UNICEF will make a recommendation to National Committees to incorporate retention rates in discussions with major donors. In addition, as part of their performance review, UNICEF will continue analysing the costs of National Committees' operations to identify potential areas of efficiency.

Department responsible:	Private Fundraising and Partnerships Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

198. **In paragraph 28, the Board recommended that UNICEF request the relevant National Committees to develop or revise their reserve policies in accordance with the reserves guidance and the cooperation agreement, and strengthen its monitoring of the reserves of National Committees in order to continue to bring reserves down to reasonable levels.**

199. UNICEF will follow up with National Committees that do not have reserve policies yet to ensure that these are in place, and will continue to monitor non-statutory reserve levels and include these discussions in the annual joint strategic plan review where appropriate.

Department responsible:	Private Fundraising and Partnerships Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

200. **In paragraph 34, the Board recommended that UNICEF enhance the process of implementing partner selection, by establishing specified and workable criteria in the implementing partner mapping process.**

201. UNICEF will develop further guidance to offices for improving and documenting the partnership mapping process.

Department responsible:	Field Results Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

202. **In paragraph 37, the Board recommended that UNICEF establish a global monitoring system to track the extent to which country offices plan and manage capacity assessment and assurance activities related to cash transfers.**

203. UNICEF is currently designing an electronic system to provide offices with support to plan and monitor capacity assessments and assurance activities related to cash transfers. The system will also provide functionality for regional and global monitoring through dashboards.

Department responsible:	Field Results Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

204. **In paragraph 40, the Board recommended that UNICEF provide technical support and strengthen monitoring to ensure that all country offices implement capacity assessments and assurance activities in accordance with the new Framework for Cash Transfers to Implementing Partners.**

205. UNICEF has allocated funds for the 2014-2017 period to strengthen the management of cash transfers. Specific planned activities to provide technical support and strengthen monitoring include: issuance of a UNICEF policy and detailed procedure for managing cash transfers; specialist staffing in headquarters and regional offices to provide technical support; online and classroom training tools for UNICEF staff; embedding the review of the management of cash transfers in all regular planning and performance review processes; and implementing an electronic platform to support office plans and monitoring of capacity assessment and assurance activities.

Department responsible:	Field Results Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

206. **In paragraph 45, the Board recommended that UNICEF consider revising the control point of the relevant module of the VISION system to ensure that its country offices obtain prior authorizations for the release of additional direct cash transfers to implementing partners with unreported cash utilization for more than six months.**

207. UNICEF will put in place cost-effective controls to address and mitigate this risk as an alternative to the proposed changes to the system.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

208. **In paragraph 48, the Board recommended that UNICEF enhance the capacities of implementing partners in programmatic areas and coordinate with other agencies with financial expertise in strengthening the capacities of implementing partners in the area of financial management.**

209. UNICEF will continue to work towards strengthening the capacity of national systems. Enhancing the capacity of implementing partners in UNICEF programmatic areas is central to delivering its mandate and is an ongoing process. Guidance will be issued to support offices in enhancing the financial management capacity of implementing partners, where required.

Department responsible:	Field Results Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

210. **In paragraph 51, the Board recommended that UNICEF establish an organization-wide approach to assessing the results and performance of its partnerships.**

211. UNICEF will develop a simplified assessment tool to assist offices in learning from the results of a given partnership with a civil society organization and will issue guidance on its use.

Department responsible:	Field Results Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

212. **In paragraph 57, the Board recommended that UNICEF: (a) establish the means to collect cost category information relating to cash transfers to implementing partners; and (b) analyse the programme support and indirect costs of implementing partners to find opportunities for minimizing such costs and enhance the efficiency of cash transfers.**

213. UNICEF will assess approaches to collecting cost category information related to cash transfers to implementing partners. It will further strengthen existing guidance to offices on finding opportunities to enhance efficiencies of cash transfers to implementing partners.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

214. **In paragraph 63, the Board recommended that UNICEF: (a) consider presenting and reporting the budget for the private sector fundraising activities of its country offices in an integrated manner; and (b) continue analysing the costs of the private sector fundraising activities of its country offices to enhance efficiency and effectiveness.**

215. UNICEF will consider the preparation, presentation and reporting of the budget for the private sector fundraising activities of its country offices as part of the private fundraising and partnerships budget, taking into account that the accountability and decision-making relating to these expenses resides at the country office level. It will also continue to monitor and analyse the costs of fundraising

activities through the annual private fundraising and partnerships budgeting and reporting cycle to promote efficiencies and effectiveness.

Department responsible:	Private Fundraising and Partnerships Division
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

216. **In paragraph 69, the Board recommended that UNICEF require its country offices to apply fully justified budget assumptions in preparation for resource estimation with respect to activities set out in the multi-year/rolling workplans.**

217. Guidance on the preparation of multi-year/rolling workplans exists for country offices. UNICEF will continue strengthening the capacity of its country offices in the implementation of results-based management through training and guidance.

Department responsible:	Field Results Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

218. **In paragraph 73, the Board recommended that UNICEF establish baselines and targets for all indicators in the strategic plan in a timely manner, in accordance with results-based management good practice.**

219. The establishment of baselines and targets is a priority to support the recording of progress against the implementation of the strategic plan. The strategic plan that was presented to the Executive Board of UNICEF at the 2014 annual session established baselines and targets for most indicators at the outcome and output level.

Department responsible:	Data, Research and Policy Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

220. **In paragraph 76, the Board recommended that UNICEF enhance its programme planning mechanism for its next strategic plan to more directly link the results proposed in country programme documents to the proposed results in the strategic plan, in a manner that would enhance accountability.**

221. As part of the roll-out of the strategic plan, a mechanism will be established to link the results and indicators of the strategic plan to those at the country level in order to support global reporting of results achieved.

Department responsible:	Data, Research and Policy Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

222. **In paragraph 81, the Board recommended that UNICEF update the statement of progress and indicator status towards the achievement of programme results in the results assessment module in a timely manner.**

223. Guidance will be revised and strengthened to address this recommendation. Monitoring and oversight of the use of the results assessments module in a timely manner will also be strengthened.

Department responsible:	Field Results Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

224. **In paragraph 83, the Board recommended that the UNICEF Supply Division work with country offices and government counterparts to expand the brands of products accepted by the different countries to avoid the need to purchase items from blocked suppliers.**

225. UNICEF is working with country offices and government counterparts to expand the brands of products accepted by considering the following: (a) Governments demonstrate a reasonable basis for brand restrictions; (b) the "brand name or equal" is included during the procurement process to allow different products with equal specifications to be purchased; and (c) the review of the contractual conditions of specific contracts would include a modification of national requirements to allow a wider product range to be registered, ensuring more access to quality products.

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

226. **In paragraph 87, the Board recommended that UNICEF analyse the cause of the delays in the closing of commitments for identified consultant and institutional contracts, and in future periods require offices to closely monitor the status and implementation of the contracts, and close all commitments requiring no further activity or transactions.**

227. UNICEF will develop reporting tools to enable offices to monitor expired consultant and institutional contracts and close them in a timely manner.

Department responsible:	Supply Division and Division of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

B. Implementation of the recommendations of the Board of Auditors for prior financial periods

228. In the annex to its report for the year ended 31 December 2013 (A/69/5/Add.3, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2014 regarding the seven recommendations assessed as "under implementation" by the Board is summarized in table 15. The information on prior recommendations is set out in the order in which they are presented in the annex.

Table 15
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Private Fundraising and Partnerships Division	2	–	1	1	1	–
Division of Financial and Administrative Management	2	–	–	2	2	–
Supply Division	1	–	1	–	–	–
Division of Human Resources	1	–	1	–	–	–
Division of Policy and Strategy	1	–	–	1	1	–
Total	**7**	**–**	**3**	**4**	**4**	**–**
Percentage	**100**	**–**	**43**	**57**		

Report of the Board for the year ended 31 December 2012[12]

229. **In paragraph 55, the Board recommended that UNICEF strengthen its monitoring of the reserve policies of National Committees to challenge high levels of reserves and ensure that sufficient funds are available for UNICEF to fulfil its mandates.**

230. Meetings were conducted with the National Committees with high levels of reserves to discuss bringing the levels down. In some cases, agreements were reached to reduce reserve levels and for the National Committees to remit funds to UNICEF. Please refer also to the comments of UNICEF above to the recommendation in paragraph 28 of the Board's report for the year ended 31 December 2013.

[12] A/68/5/Add.2, chap. II.

Department responsible:	Private Fundraising and Partnerships Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

231. **In paragraph 59, the Board recommended that UNICEF continue to strengthen the monitoring of the conversion by National Committees of regular resources to other resources in order to maximize the amount of unrestricted funds for UNICEF.**

232. The new revenue and expenditure reports used in 2013 enable UNICEF to determine the amount of funds raised as regular resources which have been converted to other resources by the National Committees, allowing for better monitoring. In addition, the National Committees continue to consult and obtain agreement from UNICEF before carrying out any conversion of a material amount.

Department responsible:	Private Fundraising and Partnerships Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

233. **In paragraph 86, the Board recommended that UNICEF: (a) analyse the parameters for determining the appropriate level of operational posts at country offices; and (b) monitor and control the use of the programme budget by country offices to cover operational expenditures not associated with specific programmes or projects.**

234. An action plan is under development to address this recommendation. The plan includes determining and monitoring the appropriate level of operational posts at country offices in successive budget preparation processes in conjunction with the formation of the Global Shared Service Centre, which is planned to be established in phases from 2015. Analysis of the appropriate level of operational posts in country offices can be made only after the Centre is fully operational.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

235. **In paragraph 100, the Board recommended that UNICEF continue to improve its performance reporting mechanism to the Executive Board by linking the utilization of institutional budget resources with the achievement of the expected results.**

236. UNICEF will improve performance reporting by complying with Executive Board decision 2013/20 (para. 10), which requires UNICEF to: (a) provide actual

financial information in the format of the integrated resource plan and to assess performance against the integrated budget in the annual report of the Executive Director to the Executive Board; and (b) submit to the Executive Board for approval annually at its second regular session an updated integrated resource plan, following review of the financial projections on which the plan is based. UNICEF anticipates that this recommendation will be fully implemented after performance reporting is presented to the Executive Board during its second regular session, in the second half of 2014.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

237. **In paragraph 111, the Board reiterated its previous recommendation that UNICEF headquarters and regional offices continue to work with all country offices to ensure the implementation of capacity assessment and assurance activities in accordance with the Framework for Cash Transfers to Implementing Partners.**

238. Please refer to the comments of UNICEF in paragraph 205 above to the recommendation in paragraph 40 of the Board's report for the year ended 31 December 2013.

Department responsible:	Division of Policy and Strategy
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

239. **In paragraph 137, the Board recommended that UNICEF ensure that its Supply Division: (a) prepare and implement the quality control test plan on pharmaceutical and nutrition products and prepare the summary report in a timely manner; and (b) continue to monitor the test results through yearly reports and include the test results in its performance monitoring of suppliers to ensure that only products that meet accepted standards are provided to its customers.**

240. The quality control test plan summary report for 2013 was issued in March 2014 and will be issued in the first quarter of each year in future. In order to enhance the monitoring of test results, UNICEF issued a procedure on sampling and testing pharmaceuticals and nutrition products. UNICEF has also developed a process that will ensure that test results are included in scorecards used for the performance monitoring of pharmaceutical and nutrition product suppliers.

Department responsible:	Supply Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

241. **In paragraph 142, UNICEF agreed with the Board's recommendation to strictly comply with the requirements of the UNICEF policy relating to the selection of consultants and individual contractors.**

242. UNICEF has modified and reissued the relevant policy to make single-sourcing more restrictive. Offices were also informed of the competitive selection requirements, and a consultant guide has been developed. As a result, the number of single-source contracts has dropped significantly, and those that were issued have well-documented reasons, in accordance with the policy.

Department responsible:	Division of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

VII. United Nations Relief and Works Agency for Palestine Refugees in the Near East

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2013[13]

243. The status of implementation of the main recommendations as at August 2014 is summarized in table 16.

Table 16
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Enterprise Resource Planning	2	–	2	2	–
Department of Administrative Services	1	–	1	1	–
Department of Finance	1	–	1	1	–
Department of Internal Oversight Services	1	–	1	1	–
Lebanon Field Office	1	–	1	1	–
Department of Planning	1	–	1	1	–
Total	**7**	**–**	**7**	**7**	**–**
Percentage	**100**	**–**	**100**		

[13] A/69/5/Add.4, chap. II.

244. The status of implementation of all recommendations as at August 2014 is summarized in table 17.

Table 17
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Administrative Services	9	–	–	9	8	1
Department of Internal Oversight Services	6	–	–	6	6	–
Department of Enterprise Resource Planning	5	–	3	2	2	–
Department of Human Resources	4	–	2	2	2	–
Department of Planning	4	–	–	4	4	–
Microfinance Department	3	–	2	1	1	–
Department of Finance	2	–	–	2	2	–
Department of Legal Affairs	1	–	–	1	–	1
Department of External Relations	1	–	–	1	–	1
Department of Relief and Social Services	1	–	–	1	1	–
Lebanon Field Office	1	–	–	1	1	–
Total	**37**	**–**	**7**	**30**	**27**	**3**
Percentage	**100**	**–**	**19**	**81**		

245. **In paragraph 24, the Board reiterated its previous recommendation that the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) set up specific funding arrangements to fund its end-of-service liabilities, for consideration and approval by the appropriate authorities, including the General Assembly.**

246. UNRWA is focused on meeting the immediate humanitarian needs of Palestine refugees within a challenging operational environment. End-of-service liabilities and their adequate funding would be addressed through the appropriate governing bodies. The implementation of a comprehensive package of support will be contingent on the financial support of the international community once a durable solution has been reached.

Department responsible: Department of External Relations

Status: In progress

Priority: Medium

Target date: Ongoing

247. **In paragraph 31, UNRWA agreed with the Board's recommendations that it: (a) identify specific IPSAS requirements that are more important for the**

preparation of financial statements and conduct training for staff of the Finance Department and other departments in order to enhance compliance; and (b) improve coordination between the Finance Department and other departments during the preparation of financial statements to ensure reliability and completeness of reported balances.

248. UNRWA implemented IPSAS in 2012. During the 12-month establishment phase, the specific IPSAS relevant to operational staff and other applicable departments were identified and subsequently implemented. UNRWA agrees to utilize its knowledge of the IPSAS requirements needed by staff to: (a) conduct relevant training for staff of the Department of Finance and other relevant departments to enhance compliance with IPSAS requirements; and (b) further improve coordination across the Department of Finance and all relevant departments during the preparation of financial statements.

Department responsible:	Department of Finance
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

249. **In paragraph 36, the Board recommended that UNRWA develop a policy on fraud and other corrupt practices, to guide management and other staff members in identifying and reporting fraud-related matters.**

250. UNRWA is in the process of producing an anti-corruption strategy by carrying out a comprehensive risk assessment on fraud and corruption. The obligation of all staff members to report fraud, corruption and other forms of wrongdoing is laid out in UNRWA General Staff Circular No. 5/2007. In addition, as noted by the Board, there is already a mandatory agency-wide ethics e-learning course that includes components to raise awareness of fraud, corruption and related reporting mechanisms.

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

251. **In paragraph 40, UNRWA agreed with the Board's recommendation that it undertake a mapping exercise to identify and compile in a single document key internal controls for its business processes with reference to other documents providing detailed procedures.**

252. UNRWA will develop a document explaining roles and responsibilities for internal control relating to critical business processes.

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

253. **In paragraph 43, UNRWA agreed with the Board's recommendation that it: (a) develop and distribute to employees a risk management policy outlining the underlying approach to risk management and mitigating procedures; and (b) ensure that all important risks that are common to UNRWA are assessed and captured in the risk registers at the field offices, thus enabling the development of common procedures for responding to those risks.**

254. UNRWA will review and consolidate its existing approaches to risk management into one comprehensive document. This review process would consider and document the Agency's approach towards high risks.

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

255. **In paragraph 48, UNRWA agreed with the Board's recommendation that it conduct a thorough review of the consultant's report and apply the proposed recommendations to improve the operations of the microcredit community support programme without compromising its basic mandate of helping Palestine refugees to achieve their full potential in human development.**

256. On the basis of consultations with relief and support services at the field level (Jordan, Lebanon and the West Bank), field-specific recommendations were taken on board, such as freezing the current lending mechanism in the Jordan field office and coming up with different lending tools, and establishing a loan tracking system and management information system in the Lebanon field office. With respect to the specific recommendations made by the consultant to improve the performance of the microcredit community support programme, further actions are being taken by field offices to address them.

Department responsible:	Department of Relief and Social Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

257. **In paragraph 53, the Board recommended that UNRWA: (a) expedite the implementation of a new software system to manage vehicles' workshop operations and record-keeping; and (b) enforce the available operational controls of the vehicles' workshop, including proper record-keeping and the completion of job card forms.**

258. The relevant software is due to be deployed by the end of 2014, through which job cards will be generated to ensure that records are maintained accurately and all costs are charged to the vehicle being repaired or maintained.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

259. **In paragraph 58, UNRWA agreed with the Board's recommendation that it expedite the evaluation process and adjust the opening and closing inventory balances accordingly to comply with IPSAS 12.**

260. UNRWA is in the process of developing IPSAS-compliant policies and procedures relating to inventory and non-inventory goods, in alignment with the enterprise resource planning system to be launched in 2015.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

261. **In paragraph 63, UNRWA agreed with the Board's recommendation that it: (a) include items procured under project funds during the preparation of procurement plans to benefit from economies of scale; and (b) involve the Chief of the Procurement and Logistics Division and field procurement and logistic officers in project-level procurement planning at headquarters and in the field to obtain input for the preparation of each procurement plan.**

262. UNRWA agrees with part (a) of the recommendation to the extent that the items and the timing of the need are compatible and project funds are available. In addition, UNRWA agrees with part (b) of the recommendation, but with the caveat that it should be noted that project planning does not always align with the general time frames for the preparation of annual procurement plans. UNRWA always endeavours to take project needs into account in its normal planning cycles and is concerned that there is no easily defined response that would allow UNRWA to suggest that the recommendation has been fully implemented.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Ongoing

263. **In paragraph 66, UNRWA agreed with the Board's recommendation that it: (a) develop and implement a standard methodology and template for procurement planning to bring consistency to its headquarters departments, field offices and project undertakings; and (b) ensure procurement plans are**

thoroughly reviewed and agreed by the concerned departments, project managers and the Procurement and Logistics Division to ensure they contain all the appropriate information before they are implemented.

264. UNRWA is working on the implementation of this recommendation.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

265. **In paragraph 71, UNRWA agreed with the Board's recommendation that it: (a) enforce compliance with the procurement manual and minimize ex post facto approval and, where such approval is inevitable, clearly document the factors which necessitated the ex post facto approval; (b) conduct detailed surveys and designs for construction work and ensure thorough reviews of survey reports to avoid unnecessary variations; and (c) improve the process of reviewing the contents of each bill of quantities and ensure that all necessary items for a particular construction project are included before being approved.**

266. It should be noted that ex post facto submissions are very rare. Those that do occur are typically the result of procurement conducted using either the urgency or emergency powers in accordance with the UNRWA Procurement Manual. Even under these provisions, explanations are required as to the circumstances that led to the use of the powers vested in either the Field Office Director or Chief of the Procurement and Logistics Division. The rare submissions where ex post facto cases are not conducted on an emergency or urgency basis are evaluated on a case-by-case basis. This is an ongoing process, and UNRWA requests the Board to consider closing this recommendation.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Ongoing

267. **In paragraph 75, the Board recommended that UNRWA: (a) improve coordination between the procurement department and users at the field offices to ensure that all procurement requirements are identified and communicated to the Procurement and Logistics Division at headquarters on a timely basis, to avoid the unnecessary shortening of the tender periods; (b) perform regular reviews of lead times and inventory balances to avoid emergency orders; and (c) review the grounds for waivers to ensure they are consistent with current good practice.**

268. The automation of processes in the new enterprise resource planning system will assist in minimizing the issues that were noted by the Board. In particular, in contrast with the current logistics system, which is largely paper-based and hence inevitably subject to delays in data entry, the change to an automated system will

significantly enhance the Agency's ability to plan its requirements in detail on the basis of live data.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

269. **In paragraph 81, UNRWA agreed with the Board's recommendation that it: (a) establish a formal evaluation committee to enhance transparency, objectivity and equity in the bid evaluation process; (b) develop a standardized template for declarations of interest by evaluation committee members; and (c) design and document formal appointment letters for evaluation committee members.**

270. An amendment to the Procurement Manual reflecting the changes recommended by the Board will have been released by the end of 2014.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

271. **In paragraph 85, UNRWA agreed with the Board's recommendation that it indicate the financial resources required for each strategic objective in the headquarters and field implementation plans for effective results evaluation.**

272. UNRWA is developing a planning framework to complement its new medium-term strategy for the 2016-2021 period.

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

273. **In paragraph 89, the Board recommended that UNRWA include the goal on internal governance and support in the upcoming medium-term strategy for 2016-2021 for consistency with the implementation plans for headquarters and the field and the biennium budget.**

274. The new medium-term strategy for the 2016-2021 period will have a revised results framework that will include a management effectiveness component.

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

275. **In paragraph 93, the Board recommended that UNRWA: (a) establish a mechanism for mobilizing and uploading all vital project documents on the intranet on a regular basis; and (b) review the project process manual and specifically define the project officer responsible for maintaining and archiving all project documents in one location.**

276. Documents that relate to project management are uploaded on the intranet page of the Department of Planning. Documents that are specific to grant agreements are uploaded into a database of the Department of External Relations and Communications and are accessible to all concerned staff. The project process manual is being updated to reflect, among other things, the post-enterprise resource planning system environment.

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

277. **In paragraph 97, UNRWA agreed with the Board's recommendation that it: (a) monitor the current trend with regard to programme support costs and ensure that the amount charged is in line with the approved standard rate; and (b) ensure that any deviation from the standard rate is agreed to by donors and approved by the Director of Finance on the basis of a valid and documented justification.**

278. Any exceptional deviations from the standard rate for programme support costs, such as those requested by specific donors for the Nahr el-Bared Refugee Camp project, are subject to approval by the Director of Finance on the basis of written justification provided by the Department of External Relations.

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

279. **In paragraph 102, UNRWA agreed with the Board's recommendations that it: (a) expedite the recruitment of the project manager for the Nahr el-Bared Refugee Camp; and (b) ensure the timely submission of designs and all project requirements to the Directorate General for Urban Planning in Lebanon for clearance to avoid further delays and future cost overruns.**

280. The project manager for the Nahr el-Bared Refugee Camp has been recruited. Preliminary meetings have also taken place with the consultant acting on behalf of the Government of Lebanon in relation to this matter. The submission of documentation to the Directorate General of Urban Planning in Lebanon follows the completion of a validation and preliminary design process, in line with the established participatory design process. Owing to the nature of community engagement, it is expected that the project will be completed within the next six months and that the relevant documentation will be submitted to the Directorate General within this time frame.

Department responsible:	Lebanon field office
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

281. **In paragraph 108, UNRWA agreed with the Board's recommendations that it: (a) establish steering committees for construction projects as currently required by the project process manual while waiting for the revised manual; and (b) review the project process manual and provide clear guidance on the establishment of project steering committees, including with regard to the composition of the committees and on the roles and responsibilities of their members, and guidance on the kinds of projects that require a steering committee.**

282. The update of the project process manual is in progress and is linked to the implementation of the new enterprise resource planning system, which is currently planned to be completed in 2015.

Department responsible:	Department of Planning
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

283. **In paragraph 112, the Board recommended that UNRWA: (a) ensure that evidence of staff attendance in an induction course is filed in their respective personal files; (b) consider allocating funds to cover the cost of induction courses in the forthcoming biennium budget; and (c) consider alternative methods, other than classroom training (such as e-learning), for delivering induction course at a lower cost where there are budget constraints.**

284. This recommendation is based on audit observations in the Lebanon field office. Induction courses are conducted and participation recorded in the Gaza, West Bank and Jordan field offices and at headquarters. The Lebanon field office is currently exploring alternative methods for delivering induction courses. In the Syrian Arab Republic field office, the current focus is on safety and security training in the light of the prevailing crisis, and options for the delivery of induction courses will be explored when operational realities allow.

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

285. **In paragraph 117, the Board recommended that UNRWA incorporate the identification of individual staff training needs in its performance evaluation process to minimize costs.**

286. The new ePer system requires managers to discuss learning needs with their staff. Discussion and implementation of learning needs will be a core priority for job performance in line with budget limitations for the 2014-2015 period and priorities for programmatic and organizational reforms.

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

287. **In paragraph 121, the Board recommended that UNRWA review the staff table by performing detailed assessments so as to eliminate redundant posts and identify key posts that need to be filled in a timely manner in order to enhance the delivery of services to refugees.**

288. UNRWA regularly reviews its staffing resources. A review of international staff conducted in November 2012 to ensure that the Agency's scarce staff resources are allocated in an optimal manner identified three posts for redeployment. The annual class formation exercise regularly reviews the allocation of education staff (two thirds of UNRWA staff members fall under this category). Regular staffing reviews are conducted in other departments as necessary. The indicated long vacancy periods can be misleading, as not all of the posts on the staffing table are actually funded. Furthermore, the operational reality in field offices, such as in the Syrian Arab Republic, does not allow for the filling of vacant posts, even though they are still needed in the long term and cannot be abolished.

Department responsible:	Department of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

289. **In paragraph 126, UNRWA agreed with the Board's recommendation to expedite the planned initiatives to reduce the length of the recruitment process and to enhance the timely delivery of services to refugees.**

290. This recommendation is based on observations made by the Board at the Lebanon field office. The following initiatives have already been undertaken by that

field office: (a) preparation of an annual recruitment plan; (b) weekly updates to departments; and (c) regular meetings with departments.

Department responsible:	Division of Human Resources
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

291. **In paragraph 130, the Board recommended that UNRWA actively follow up with the Executive Office of the Secretary-General and the power service provider, to find a lasting solution on the settlement of the electricity bills, to avoid the risk of power disconnection in refugee camps.**

292. This recommendation relates to the general position of Palestine refugees in Lebanon. UNRWA is not responsible for paying any individual debts of Palestine refugees, including electricity bills, whether they are inside or outside the camps. This is an issue that will be settled politically, not legally, and UNRWA is coordinating with the appropriate authorities in that regard.

Department responsible:	Department of Legal Affairs
Status:	In progress
Priority:	Medium
Target date:	Ongoing

293. **In paragraph 134, UNRWA agreed with the Board's recommendation that it develop a contingency plan to support the existing enterprise resource planning system in case of further delays in the implementation of the new system.**

294. UNRWA is negotiating with the current vendor for services to support the existing system until it is decommissioned. This service will also cover any further delays in the launch date of the new system.

Department responsible:	Department of Enterprise Resource Planning
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

295. **In paragraph 137, UNRWA agreed with the Board's recommendation that sufficient time be allocated for internal information technology staff to support the monthly closing of accounts and the preparation of annual financial statements and other management reports.**

296. Sufficient time was allocated in accordance with the Board's recommendation.

Department responsible:	Department of Enterprise Resource Planning
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

297. **In paragraph 143, the Board recommended that UNRWA: (a) enhance communication among project governance stakeholders to expedite decision-making by the project sponsors board and avoid further delays; and (b) through the project governance structure, re-emphasize the need to achieve the level of reusability of components from the World Food Programme WINGS II system as defined in the project charter.**

298. The project governance team meets monthly to make decisions. Biweekly progress reports are distributed and periodic meetings held with key stakeholders to ensure timely decision-making. A change control process and software tool is in place to strengthen change control and enforce the reusability of the World Food Programme WINGS II system.

Department responsible:	Department of Enterprise Resource Planning
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

299. **In paragraph 149, the Board recommended that UNRWA: (a) ensure regular meetings of the project sponsors board to properly monitor the progress of project implementation; and (b) review its project risk register to include key risks and identify mitigating factors for effective project management.**

300. Key risks are included in the risk register, and the project sponsors board holds regular meetings.

Department responsible:	Department of Enterprise Resource Planning
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

301. **In paragraph 155, UNRWA agreed with the Board's recommendation that it develop a benefits realization plan for the enterprise resource planning project and integrate it with the project master plan to ensure effective monitoring and the realization of benefits.**

302. A new version of the project plan has been created and includes the requested details. The plan will also be updated periodically.

Department responsible:	Department of Enterprise Resource Planning
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

303. **In paragraph 159, the Board recommended that UNRWA: (a) enforce compliance with technical instruction No. 7 by regularly updating the disaster recovery plan to incorporate any changes in the information and communications technology environment; and (b) expedite the update of the backup procedure instruction and update the disaster recovery plan to reflect changes in the information and communications technology infrastructure.**

304. The update of the backup procedure instruction was delayed owing to operational difficulties encountered during the implementation of the new technology. Both the updates of the backup procedure instruction and the disaster recovery plan will have been completed by the end of 2014.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

305. **In paragraph 164, UNRWA agreed with the Board's recommendations that it: (a) develop appropriate procedures for erasing information contained in information and communications technology equipment, taking into consideration the sensitivity of the information being handed over to the disposal authorities; and (b) develop security guidelines based on good practices for protecting critical information on mobile devices.**

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

306. **In paragraph 170, the Board recommended that UNRWA: (a) through its field and department directors, ensure that investigation cases are recorded in the case management system accurately and on a timely basis; and (b) recruit additional professional investigators who would report directly to the Investigations Division of the Department of Internal Oversight Services and supervise staff involved in investigations at the field offices.**

307. UNRWA will put in place a mechanism to ensure that the case management system is completed on a timely basis and that the data are complete and accurate. With respect to additional professional investigators, the Department of Internal Oversight Services initiated the recruitment of two professional investigators in 2014 to strengthen the support that it provides to field-led investigations. In accordance with the organizational directive of the Department of Internal Oversight

Services, these investigators will provide technical advice, guidance and training to field staff who carry out investigations under the supervision of field directors. The extent to which these investigators would be directly involved in supervising field staff carrying out investigations is a matter that would depend on the nature of the case and would be discussed and agreed between the Department of Internal Oversight Services and the concerned field director. The need for additional investigators will be assessed on a regular basis through the annual workplan of the Department of Internal Oversight Services.

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

308. **In paragraph 174, UNRWA agreed with the Board's recommendations that it: (a) expedite the finalization of the evaluation framework to guide and support the evaluation functions within UNRWA; and (b) review the current practice of handling evaluation activities at headquarters departments and field offices on an ad hoc basis with a view to improving the evaluation function.**

309. This recommendation is being addressed as part of the evaluation architecture under development.

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

310. **In paragraph 180, the Board recommended that UNRWA enhance the internal control system by expediting the implementation of the high-risk internal audit recommendations.**

311. As part of its semi-annual follow-up process for audit recommendations, the Department of Internal Oversight Services will continue to focus management's attention on addressing the outstanding high-risk recommendations.

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

312. **In paragraph 185, UNRWA agreed with the Board's recommendation that its Microfinance Department: (a) improve controls by establishing an online loans application process in the new Omni Enterprise system in 2014; and (b) closely supervise cashiers' activities and issue instructions to the operations team to strictly follow the operational procedures and adopt proper follow-up procedures to address late payments.**

313. The online process has already been completed and is now part of the loan application procedure. In addition, the procedures manual was updated, staff were trained on the correct procedures, and increased supervision of the branches was introduced to ensure compliance.

Department responsible:	Microfinance Department
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

314. **In paragraph 188, the Board recommended that the Microfinance Department of UNRWA pass proper adjusting entries in 2014 to match balances from the register to the ledger by category and include fixed asset modules in the new enterprise resource planning system, which would maintain the link between the asset register and the ledger.**

315. This is being done on a quarterly basis in the current financial management system. With the planned introduction of the new enterprise resource planning system in 2015, the Microfinance Department will have direct access to the fixed asset module and will no longer require passing adjusting entries.

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

316. **In paragraph 192, UNRWA agreed with the Board's recommendation that its Microfinance Department develop a formal policy and procedure for transferring files exported from the Omni system to the RAMCO system and that it establish a uniform naming convention for all UNRWA information technology resources, including the network and the OMNI application.**

317. This is currently done through an interface file uploaded to the RAMCO system each month, and then all loan accounts are reconciled between both systems. This will be further enhanced once the new enterprise resource planning system is operational.

Department responsible:	Microfinance Department
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

318. In annex I to its report for the biennium ended 31 December 2013 (A/69/5/Add.4, chap. II), the Board provided a summary of the status of

implementation of recommendations from previous financial periods. The overall situation as at August 2014 regarding the 13 recommendations assessed as "under implementation" and/or "not implemented" by the Board is summarized in table 18. The information on the prior recommendations is set out in the order in which they are presented in annex I.

Table 18

Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Administrative Services	7	–	–	7	7	–
Department of External Relations	1	–	–	1	–	1
Department of Infrastructure and Camp Improvement	1	–	–	1	1	–
Department of Internal Oversight	1	–	–	1	1	–
Department of Legal Affairs	1	–	–	1	1	–
Microfinance Department	1	–	–	1	1	–
Department of Planning	1	–	–	1	–	–
Total	**13**	**–**	**–**	**13**	**12**	**1**
Percentage	**100**	**–**	**–**	**100**		

Report of the Board for the biennium ended 31 December 2011[14]

319. **In paragraph 82, UNRWA agreed with the Board's recommendation that it: (a) allow for adequate tender submission time frames in accordance with the Procurement Manual; (b) provide clarity on what constitutes "due cause"; and (c) instruct field offices to institute adequate procurement planning.**

320. Tenders comply with the revised Procurement Manual guidance on submission times, except in rare cases, and reasons for any variations are adequately documented. Revisions to the "due cause" clause for reduced tender durations were considered, and it was determined that the documentation required to support the decision of the Chief of the Procurement and Logistics Division should be strengthened for audit purposes. Procurement planning is conducted in accordance with the provisions of the updated Procurement Manual. The Department is undertaking further review to ensure that there is documentation of justifiable reasons for any shortened tender periods.

[14] A/67/5/Add.3, chap. II.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

321. **In paragraph 118, UNRWA agreed with the Board's recommendation that it enhance its supply manual to address the inconsistent procedures applied by its field offices in issuing inventories and that it address the gaps identified in the process of issuing inventories.**

322. UNRWA is transitioning to a new enterprise resource planning system in 2015, which will address the inconsistent application of supply procedures by different field offices, since the system will centrally support all inventory management transactions.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

323. **In paragraph 158, UNRWA agreed with the Board's recommendation that it: (a) clearly define the responsibility for plan testing and process backlog initiation in its disaster recovery plan; (b) finalize and approve the plan; and (c) develop and approve a business continuity plan.**

324. The deployment of new backup technology and a disaster recovery plan for the headquarters enterprise data centre are currently in progress. Deployment in the Syrian Arab Republic field office has been delayed owing to the current political/security situation.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

325. **In paragraph 178, the Board recommended that UNRWA prioritize the implementation of internal audit recommendations, with emphasis on high-risk areas identified by internal audit.**

326. A standard operating procedure for audit recommendation follow-up has been drafted and is expected to be finalized by the end of 2014.

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

Report of the Board for the year ended 31 December 2012[15]

327. **In paragraph 41, the Board reiterated its previous recommendation that UNRWA develop a funding strategy to enable it to honour all its end-of-service liabilities.**

328. As the settlement of end-of-service liabilities is linked to the solution of the Palestine refugee issue and to the Agency's mandate, it will require a decision on the part of the General Assembly, from which UNRWA receives its mandate.

Department responsible:	Department of External Relations
Status:	In progress
Priority:	High
Target date:	Ongoing

329. **In paragraph 62, the Board recommended that UNRWA develop a clear mechanism for monitoring supplier performance during the contract period. This will ensure compliance with regulations and will give management assurance that poor supplier performance is being addressed.**

330. This recommendation is being addressed in the context of the ongoing implementation of the new enterprise resource planning system.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

331. **In paragraph 67, the Board recommended that UNRWA continue to review the process of granting waivers and that it remind staff of the need to ensure that they are in line with the requirements set out in the Procurement Manual.**

332. The process for granting waivers was updated in version 2 of the Procurement Manual, together with a revised waiver template. Further enhancements to the policy and template are planned for implementation in version 3 of the Procurement Manual, due to be issued by the end of 2014. A consultant has been engaged to review and update the current Procurement Manual.

[15] A/68/5/Add.3, chap. II.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

333. **In paragraph 72, UNRWA agreed with the Board's recommendation that it: (a) continue to mobilize resources to prevent buildings in bad condition from further deteriorating; (b) prepare a comprehensive long-term asset management plan for its buildings in need of repair, as identified in the valuation report; and (c) develop an asset repair and maintenance policy.**

334. UNRWA has continued to mobilize resources and prioritize the repair of buildings in the field offices. The assessment and implementation of repairs for routine maintenance purposes are continuing in all the field offices in accordance with the annual plan developed for each field office, in which priorities were identified within available resources. Policy development and a review of the relevant technical instructions are also being undertaken.

Department responsible:	Department of Infrastructure and Camp Improvement
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

335. **In paragraph 82, UNRWA agreed with the Board's recommendation that it endeavour to the best of its ability to obtain relevant documents to substantiate the right to use buildings and plots of land.**

336. UNRWA is in the process of obtaining the relevant documentation.

Department responsible:	Department of Legal Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

337. **In paragraph 88, the Board recommended that UNRWA: (a) expedite the process of developing the inventory policy in order to enhance IPSAS compliance; and (b) assess the closing value for non-inventory to ensure compliance with IPSAS 12.**

338. UNRWA is in the process of developing IPSAS-compliant policies and procedures relating to inventory and non-inventory goods in line with the new enterprise resource planning system, which will go live in 2015.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

339. **In paragraph 96, UNRWA agreed with the Board's recommendation that it: (a) formalize its results-based-management results review processes in a policy or organizational directive; (b) ensure that the results review process takes place as envisaged at midyear and on an annual basis; and (c) ensure that measures are implemented to support alternative means of collecting performance data from the Syrian Arab Republic field office, for example through the Internet.**

340. An organizational directive incorporating UNRWA results-based-management review processes will have been developed by the end of 2014. Parts (b) and (c) of the recommendation have been implemented.

Department responsible:	Department of Planning
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

341. **In paragraph 101, UNRWA agreed with the Board's recommendation that it: (a) set a time frame for establishing an information and communications technology (ICT) steering committee to oversee the implementation and operation of ICT-related functions; (b) develop a business case for deploying an electronic document management system that will act as a key central repository accessible anywhere and at any time; and (c) set a time frame for and expedite the merging of the RAMCO application support unit under the Finance Department with the application support unit under the Information Systems Division.**

342. UNRWA established an ICT steering committee in July 2013. Governance packages covering each aspect of the ICT steering committee framework are in process and will be presented to the steering committee in the fourth quarter of 2014. The document retention, archive and disposal policy is currently being updated. Once completed, it will allow the development of a detailed requirements document that will define future system requirements and allow UNRWA to more precisely specify the requirement to create an electronic document management system for the digitization of the paper records currently held at the central records unit. The transition to the new enterprise resource planning system requires an overall restructuring of the current Information Technology Division and its merger with what will remain of the enterprise resource planning project team once that project closes in 2015.

Department responsible:	Department of Administrative Services
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

343. **In paragraph 112, UNRWA agreed with the Board's recommendation that it: (a) continue monitoring the loan portfolio in the Syrian Arab Republic with a view to improving its operational self-sufficiency to a level that would enable it to cover its operational costs; (b) improve controls by establishing a loan review committee for the management of loans receivable; and (c) ensure that the general controls of the loan management information system are adequate for the mitigation of ever-growing business risks.**

344. During 2013, the strategic outlook of the Microfinance Department's loans receivable portfolio in the Syrian Arab Republic was to minimize, to the extent possible, losses and to reach a level that would cover its operational costs. The Microfinance Department started to evaluate the loans receivable portfolio on a quarterly basis and record the currency exchange losses. With that, management was able to reallocate and manage currency devaluation in a better and more efficient way. The Microfinance Department was also able to roll out the new management information system early in 2013, which mitigates the operational risks. The system was tested through an audit in 2013 and was found to be satisfactory. A loan review committee was established to review the loans receivable portfolio on a quarterly basis and advise management of compliance issues and any operational risks.

Department responsible:	Microfinance Department
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

VIII. United Nations Institute for Training and Research

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2013[16]

345. The status of implementation of main recommendations as at August 2014 is summarized in table 19.

[16] A/69/5/Add.5, chap. II.

Table 19
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Operations Unit	2	–	–	2	2	–
Operations Unit and United Nations Office at Geneva	1	–	–	1	1	–
Total	**3**	**–**	**–**	**3**	**3**	**–**
Percentage	**100**	**–**	**–**	**100**		

346. The status of implementation of all recommendations as at August 2014 is summarized in table 20.

Table 20
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Operations Unit	6	–	2	4	4	–
Office of the Executive Director	1	–	–	1	–	1
Operations Unit and United Nations Office at Geneva	1	–	–	1	1	–
Total	**8**	**–**	**2**	**6**	**5**	**1**
Percentage	**100**	**–**	**25**	**75**		

347. **In paragraph 11, the Board recommended that the United Nations Institute for Training and Research (UNITAR), in collaboration with the Office of Internal Oversight Services (OIOS), urgently resolve the issues of funding and service cost and establish appropriate internal audit coverage.**

348. UNITAR is in discussion with the Board of Auditors and OIOS to see how appropriate internal audit coverage can be planned within existing budget resources.

Department responsible: Office of the Executive Director

Status: In progress

Priority: Medium

Target date: Ongoing

349. **In paragraph 17, the Board recommended that UNITAR coordinate closely with the United Nations Office at Geneva to ensure IPSAS implementation in a timely manner.**

350. UNITAR is working closely on this matter with the United Nations Office at Geneva.

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

351. **In paragraph 21, the Board recommended that UNITAR: (a) clarify the definition and scope of the programme support cost and direct service cost; (b) ensure that direct service costs are completely and clearly disclosed in the financial statements; and (c) provide adequate information to donors with regard to the retention from project funds.**

352. UNITAR will follow the practice of the United Nations Secretariat, including the provision of adequate information on programme support cost and direct service cost in agreements and financial reports to donors, and reflect the decisions made by the UNITAR Board of Trustees at its fifty-fifth session.

Department responsible:	Operations Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

353. **In paragraph 31, the Board recommended that UNITAR: (a) conduct a prompt verification of those items not found in the most recent physical inventory and perform reconciliation accordingly; (b) expedite the development of policy and the issuance of guidance on asset classification to ensure that assets are properly classified; and (c) in collaboration with the United Nations Office at Geneva, review Office Instruction No. 176 to ensure that it is IPSAS-compliant with respect to the definition of assets.**

354. UNITAR, in coordination with the United Nations Office at Geneva, will complete the verification of physical inventory discrepancies and investigate and reconcile all inventory items by 31 December 2014. The United Nations Office at Geneva, as a central service provider for UNITAR asset management and as part of the Secretariat-wide IPSAS and Umoja implementation, will provide asset definition and classification in compliance with IPSAS requirements within the time frame as prescribed by the Department of Management and Umoja project for all Secretariat entities in Geneva, including UNITAR.

Department responsible:	Operations Unit and United Nations Office at Geneva
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

355. **In paragraph 34, the Board recommended that UNITAR consult with donors before disposing of the surplus of completed projects and use the funds**

of the ongoing projects in compliance with the requirements of the letter of agreement.

356. UNITAR will ensure that the surplus funds from completed projects are disposed of in accordance with contractual arrangements agreed with donors.

Department responsible:	Operations Unit
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

357. **In paragraph 37, the Board recommended that UNITAR comply with the requirements of the letters of agreement to submit financial reports to donors in a timely manner.**

358. UNITAR has already revised its internal controls in order to ensure that financial reports are submitted to donors in a timely manner as specified in letters of agreement.

Department responsible:	Operations Unit
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

359. **In paragraph 41, the Board recommended that UNITAR, as the end user, take responsibility for vendor performance evaluation, and that the memorandum of understanding between UNITAR and the United Nations Office at Geneva be updated and clarified to this effect.**

360. UNITAR has revised its procurement guidelines to require vendor performance evaluation to be conducted in accordance with the requirements of the United Nations Procurement Manual. For contracts awarded with a value above $100,000, UNITAR, as the end user, will take the responsibility of carrying out vendor performance evaluations and will update its memorandum of understanding with the United Nations Office at Geneva to this effect.

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

361. **In paragraph 44, the Board recommended that UNITAR update the annual leave balances in a timely manner and introduce checks before submitting the census data in order to ensure the accuracy of the actuarial valuation basis for the unused leave liabilities.**

362. UNITAR has introduced monthly recording of annual leave balances and also regularly checks to ensure that the census data submitted are accurate.

Department responsible:	Operations Unit
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

363. In the annex to its report for the biennium ended 31 December 2013 (A/69/5/Add.5, chap. II), the Board provided a summary of the status of implementation of recommendations from the previous financial period. The overall situation as at August 2014 regarding the two recommendations assessed as "under implementation" and "not implemented" by the Board is summarized in table 21. The information on prior recommendations is set out in the order in which they are presented in the annex.

Table 21
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Management	2	2	–	–	–	–
Total	**2**	**2**	–	–	–	–
Percentage	**100**	**100**	–	–		

Report of the Board for the biennium ended 31 December 2011 [17]

364. **In paragraph 22, the Board recommended that UNITAR, in collaboration with United Nations Headquarters and the United Nations Office at Geneva, disclose the information about the programme support income, including the definition, the scope and the calculation methodology, in the notes to the financial statements to enable users to better understand the financial statements.**

365. The Department of Management of the United Nations Secretariat did not accept this recommendation, as its implementation would be inconsistent with disclosures in the notes to the financial statements of other United Nations funds and programmes. Instead, efforts will be made to enrich related information in the financial report on the accounts of UNITAR.

[17] A/67/5/Add.4, chap. II.

Department responsible:	Department of Management
Status:	Not accepted
Priority:	High
Target date:	Not applicable

366. **In paragraph 28, the Board recommended that UNITAR, in collaboration with United Nations Headquarters and the United Nations Office at Geneva, clearly articulate the definition, scope and percentage of programme support cost and administrative cost to increase the transparency and comprehensibility of the financial statements.**

367. Please refer to the comments of UNITAR above to the recommendation in paragraph 22 of the Board's report for the biennium ended 31 December 2011.

Department responsible:	Department of Management
Status:	Not accepted
Priority:	High
Target date:	Not applicable

IX. Voluntary funds administered by the United Nations High Commissioner for Refugees

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2013[18]

368. The status of implementation of the main recommendations as at August 2014 is summarized in table 22.

Table 22
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Programme Support and Management	4	1	3	3	–
Division of Financial and Administrative Management	3	–	3	3	–
Division of Human Resources Management	1	1	–	–	–
Division of Emergency, Security and Supply	1	–	1	1	–
Total	**9**	**2**	**7**	**7**	**–**
Percentage	**100**	**22**	**78**		

[18] A/69/5/Add.6, chap. II.

369. The status of implementation of all recommendations as at August 2014 is summarized in table 23.

Table 23
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Programme Support and Management	10	1	9	9	–
Division of Financial and Administrative Management	4	–	4	4	–
Division of Emergency, Security and Supply	2	–	2	2	–
Division of Human Resources Management	1	1	–	–	–
Executive Office	1	–	1	1	–
Total	**18**	**2**	**16**	**16**	**–**
Percentage	**100**	**11**	**89**		

370. **In paragraph 9, the Board, while recognizing the position of the Office of the United Nations High Commissioner for Refugees (UNHCR) and its dependence on voluntary funding, recommended that UNHCR establish appropriate target levels for inventory holdings and other assets.**

371. For its seven centrally managed global stockpiles, UNHCR has determined minimum inventory levels covering the needs of 600,000 persons of concern at the end of 2013 (approximately $34 million, based on average prices). Target levels have also been established for all stockpiles managed by the field offices. All target levels are reviewed regularly (at the minimum, semi-annually). To refine the appropriateness of target levels, UNHCR is in the process of introducing a supply planning method by which the level of inventories and the quantities to be purchased shall be determined on the basis of expected future needs, thus optimizing the stock levels.

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

372. **In paragraph 18, the Board recommended that UNHCR review and further refine the methodology for allocating programme and management costs with a view to increasing the granularity of its knowledge and ensuring that the costs are accurately captured and reported.**

373. UNHCR allocates its costs among three categories: programme costs; programme support costs; and management and administration costs. The existing methodology has been developed by UNHCR and applied consistently in all programmes, projects and locations for the past four years. The Board noted that some further refinement could be achieved in the methodology, for example on the

classification of staff costs under each of the three categories mentioned above. In this regard, UNHCR will undertake a full review of the existing methodology with the aim of further refining the accuracy of cost classification and reporting.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

374. **In paragraph 30, the Board recommended that UNHCR evaluate the performance of the biometric registration procedures implemented in Jordan, with a view to concluding its work to provide a standard global system for the biometric identification and registration of refugees.**

375. The development team at UNHCR headquarters for the global biometrics system, in coordination with the team of the country office operations, will take measures to ensure that lessons learned from the implementation of registration procedures in the Jordan operation, to the extent that they are applicable to the global system, are fully taken into account in the development of global biometrics registration procedures.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

376. **In paragraph 36, the Board recommended that UNHCR explore whether greater use could be made of partner agreements extending beyond 12 months.**

377. Flexibility is already exercised to allow the extension of the implementation and agreement period, depending on the availability of funds and operational requirements. In response to the emergency operations in the Sudan and the Syrian Arab Republic, 200 projects were extended beyond 2013. This flexibility can be further enhanced if donors subscribe to a reliable and firm commitment to multi-year funding to allow the planning, implementation and extension of agreements beyond 12 months. However, UNHCR is currently faced with the following constraints in extending partnership agreements beyond 12 months: (a) donor contributions are normally pledged for a year; (b) the UNHCR organizational budget is approved on an annual basis; and (c) UNHCR needs to maintain flexibility in order to respond to existing and new emergency situations. Signing multi-year agreements with partners without secured funding may raise false expectations and pose greater risks to partners and UNHCR. Nevertheless, UNHCR will further assess whether this recommendation could be implemented.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

378. **In paragraph 40, the Board recommended that UNHCR adopt more widely a flexible approach to emergency staffing, including the contracting of staff from other organizations and, when facing bottlenecks, outsourcing some or all recruitment processes.**

379. UNHCR has already put in place a flexible approach to emergency staffing, and several revisions of the fast track procedures have considerably improved the speed with which vacancies are processed. While the processing of fast track vacancies did take longer to fill prior to those of the operation in the Syrian Arab Republic, the length of time taken to appoint staff members to fast track positions has been considerably reduced as a result of the revisions to the fast track procedures. With effect from 15 July 2014, UNHCR promulgated a policy under which the filling of fast track positions with internal applicants jointly agreed upon by managers and the Division of Human Resources Management would not require review by the Joint Review Board. The most recent fast track recruitment, announced on 17 July 2014 for the Central African Republic and the South Sudan emergency situations, is subject to the revised policy.

Department responsible:	Division of Human Resources Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

380. **In paragraph 45, the Board recommended that UNHCR evaluate the costs and benefits of basing the regional bureau in Amman to determine whether any lessons can be learned for existing or future operations.**

381. UNHCR agrees that it is important to conduct an internal review of the costs and benefits of the structure of the Regional Refugee Coordination Office for Middle East and North Africa in Amman with the aim of improving the existing management and governance structures, if needed, and drawing lessons for designing future management structures and/or systems for managing large-scale and rapidly evolving emergencies.

Department responsible:	Executive Office
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

382. UNHCR will undertake a review of the use of ActivityInfo within the Syrian operation with a view to assessing the feasibility of expanding its use and/or incorporating its key functions into other corporate systems.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

383. **In paragraph 56, the Board, given the major scale of the UNHCR Jordan cash programme and the plans to expand it to other countries, recommended that UNHCR commission an independent expert evaluation of the programme, with the aim of reporting before the end of 2014.**

384. UNHCR has commissioned a study on the impact of cash assistance on reducing negative coping mechanisms among Syrian refugees in four countries of the region, which will have been concluded by the end of 2014. It has also commissioned an evaluation of the overall response to Syrian refugees in Jordan and Lebanon, on which a report is also expected by the end of 2014. A number of evaluations and studies are also being conducted in Jordan in 2014, commissioned by other actors (international or non-governmental organizations) in humanitarian response, on cash assistance programmes and their impact. UNHCR would like to use the wealth of data from those evaluations and studies to review and conceptualize, if necessary, a comprehensive evaluation that will also have a particular focus on areas that may have been overlooked by the current studies and evaluations. This will also ensure a cost-effective approach and avoid duplication. Consequently, UNHCR will consider performing the evaluation of the Jordan cash programme in 2015.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

385. **In paragraph 61, the Board recommended that, in order to avoid overstocking and preserve flexibility, UNHCR regularly review stocks held at global and local warehouses to confirm that levels remained appropriate.**

386. UNHCR agrees that it is important to regularly review stocks held at global and local warehouses, a principle built in the current procedures. The Supply Management and Logistics Service reviews stock levels in all warehouses monthly and generates a report with items potentially exceeding the requirements, that is, stock in excess of the last 12 months' distribution or in excess of the average distribution during the past three years. The report is sent to the countries concerned for review and action, if required. Stock levels for emergency operations are planned on the basis of the number of persons of concern expected, which is

difficult to predict in volatile environments. As far as stocks in Iraq, Jordan, Lebanon and the Syrian Arab Republic are concerned, UNHCR temporarily had more stockholdings of certain items than required in the case of Lebanon, but not in other countries. This was due to an expected higher influx of refugees. In the meantime, a significant part of the surplus stock has been redirected from Lebanon to Iraq, where it was needed, and a similar solution is being sought for the remaining surplus stocks. UNHCR expects that as from the end of 2014 there will be no material surplus stocks.

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

387. **In paragraph 76, the Board recommended that UNHCR revise its planning guidance to: (a) require country offices to explicitly refer to the main burdens of disease when bidding for health programme resources; and (b) remind country offices of their discretion to use non-global priority indicators to monitor country-specific health issues.**

388. UNHCR will ensure that the next planning instructions will reflect this recommendation and include guidance on the selection of health partners.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

389. **In paragraph 80, the Board recommended that UNHCR deepen its annual fact-sheet summaries for public health, reproductive health and water, sanitation and hygiene, to identify the relationship between health indicators and health resources consumed, twice yearly and at the camp level.**

390. UNHCR will support the development of half-yearly country summaries on public health, reproductive health, and water, sanitation and hygiene to be used during the midterm review of budgetary resource allocation at the country level. UNHCR will continue to produce annual country public health fact sheets from its Twine system (an online platform for managing and analysing public health data collected in refugee operations) data, including an analysis of past and current operational data in order to identify trends in health-related programme costs. During regional workshops, a programme training component will be added to train country public health officers to use health data in the results framework against budgets.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

391. **In paragraph 83, in order to understand the experiences of refugees who are not using UNHCR facilities and devise appropriate interventions, the Board recommended that UNHCR evaluate the performance of the surveillance tool pilot schemes in Kuala Lumpur and Lebanon and consider the wider application across its network, if applicable.**

392. UNHCR is currently rolling out the household health assessment and utilization survey in Jordan and Lebanon. On that basis, a final decision will be made in November 2014 on the tools to be implemented for monitoring access to health care in non-camp settings.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

393. **In paragraph 86, the Board recommended that UNHCR issue central guidance to country teams on cost-effectiveness criteria in health services as an aid to decision-making and resource allocation in health programmes.**

394. UNHCR will develop guidance for country teams on cost-effectiveness criteria as recommended by the Board, using existing internationally published data and recommendations.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

395. **In paragraph 91, the Board recommended that UNHCR refine its standard operating policies for referrals, requiring country offices to: (a) include, in the monthly reporting framework for implementing partners, referral numbers and costs to both secondary- and tertiary-level care; (b) monitor variation in local referral rates and investigate where there are adverse trends or anomalous results; (c) require partners to seek approval from UNHCR for cases exceeding a certain monetary threshold; and (d) use referral committees to provide consistent and transparent decisions regarding which high-value cases should be supported.**

396. UNHCR is currently piloting an automated database for improved monitoring of referral care in Ethiopia, Jordan, Lebanon and South Sudan. The results of the pilot phase will have been made available by the end of 2014, and a database referral tool will subsequently be developed. UNHCR will support countries with referral care covered by the organization to have a country-specific standard operating procedure included with referral care committees, in line with the global principles and guidance on referral care.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

397. **In paragraph 93, the Board recommended that UNHCR work towards more consistent utilization levels per health worker across its camps, through an appropriate mix of: (a) considering the selective redeployment of some health worker posts between smaller and larger camps, as appropriate, and beyond health management; (b) directing new intakes of refugees to existing underutilized camps; and (c) camp consolidation, working with national authorities to close smaller camps that would not be economical to sustain in the long term.**

398. UNHCR issued a policy on alternatives to camps in July 2014. Through that policy, UNHCR is making an institutional commitment to pursue alternatives to camps, whenever possible, while ensuring that refugees are protected and assisted effectively and are able to achieve solutions. The policy refocuses attention on refugees living in camps and extends the principal objectives of the urban refugee policy to all operational contexts. UNHCR developed the following guidance documents in line with the recommendation of the Board: (a) Global Strategy for Public Health 2014-2018; (b) Urban Guidance on Health; and (c) Operational Guidance on Health Insurance Schemes for Refugees.

Department responsible:	Division of Programme Support and Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

399. **In paragraph 98, the Board recommended that UNHCR consider the wider application of its health scorecard system across the country network. It should ensure that, for each health centre where it uses the balanced scorecard, it develops, jointly with the implementing partner, an action plan to address areas of improvement and follow up at regular intervals to ensure that progress is being made. It should report against the balanced scorecard results in the biannual performance report and use the results in selecting which health implementing partners to work with.**

400. UNHCR is currently expanding its balanced scorecard to include an additional module on reproductive health and HIV. On the basis of the utilization of the expanded balanced scorecard tool, a road map will be developed in the Twine system for further roll-out of the expanded balanced scorecard and an improved sharing and reporting mechanism at the country, regional and bureau levels. This will allow the consistent follow-up of the utilization of the tool at the country level. With automatic sharing and reporting, the tool will feed into the midterm and end-of-year evaluations. At the country level, the balanced scorecard can be used by programme and management staff to monitor programme implementation and performance and can inform the partner selection committee. It can also be used by the partners as a performance monitoring tool.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

401. **In paragraph 101, the Board recommended that UNHCR issue updated guidance to clarify the circumstances in which implementing partner agreements are unsuitable and commercial procurement may be more appropriate.**

402. UNHCR will develop and issue guidance clarifying and reinforcing the criteria that need to be taken into account and the circumstances in which activities should be implemented either through non-profit partner organizations or through direct commercial providers. Such factors as the purpose of the activity to be implemented and the specific operational requirements, particularly during emergency operations, will be among the critical ones to be considered. Furthermore, a revised procedure on procurement by partners receiving UNHCR funds is already under preparation and will be issued shortly.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

403. **In paragraph 105, the Board, in order to strengthen the implementing partner selection process, recommended that UNHCR: (a) enhance its due diligence procedures with regard to the initial vetting of partners to include reference checks where appropriate; and (b) in consultation with other United Nations agencies and the wider humanitarian community, develop mechanisms to share intelligence on implementing partners.**

404. The self-declaration is an initial step of partner introduction to UNHCR and a comprehensive process of registration and vetting. A new tool, known as the partner portal, is under development and will provide an Internet-based interactive platform for the establishment of partnership registration. One of the features of this portal is

an extensive questionnaire, and the portal will serve as a databank of screened partner profiles, categories, references of previous relations with UNHCR and other United Nations system organizations, performance tracking and agreements. It will allow for a systematic way of maintaining, reviewing and updating profiles and screening, enlisting and delisting entities. It will also facilitate information sharing between UNHCR, country offices and other relevant parties.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

405. In annex II to its report for the year ended 31 December 2013 (A/69/5/Add.6, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2014 on the 22 recommendations assessed as either "under implementation" or "not implemented" by the Board is summarized in table 24. The information on prior recommendations is set out in the order in which they are presented in annex II.

Table 24
Status of implementation of recommendations from prior periods considered not fully implemented in annex II to the report of the Board of Auditors for the year ended 31 December 2013

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Emergency, Security and Supply	12	6	6	6	–
Division of Financial and Administrative Management	6	1	5	5	–
Executive Office and Enterprise Risk Management Unit	2	–	2	2	–
Division of Programme Support and Management	1	–	1	1	–
Policy Development and Evaluation Service	1	–	1	1	–
Total	**22**	**7**	**15**	**15**	**–**
Percentage	**100**	**32**	**68**		

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406. **In paragraph 104, UNHCR agreed with the Board's recommendation that it re-establish and entrench the principles laid down in its own guidance by establishing at the country level a policy clearly specifying the circumstances in which country operations should normally commission programme and project evaluations, and requiring explicit planning and budgeting for evaluation during project design.**

407. UNHCR is in the process of developing a revised policy for evaluation, expected to be completed by the end of 2014, which will include provisions for the establishment of decentralized evaluation work. Critical to the success of this initiative will be establishing a normative and regulatory framework which should set out the criteria and modalities for identifying, designing and commissioning country-level evaluations. It is envisaged that the Policy Development and Evaluation Service will prepare the normative and regulatory framework, offer technical support and guidance to country offices preparing evaluations, and exercise a quality assurance and oversight role. Identifying the technical and financial resources necessary to support decentralized evaluation will be a critical feature of future discussions with senior management, bureaux and support divisions.

Department responsible:	Policy Development and Evaluation Service
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

408. **In paragraph 107, UNHCR accepted the Board's recommendation that, as a matter of urgency, it establish a simple organization-wide risk management approach, building on existing reporting arrangements.**

409. The enterprise risk management policy has been issued with effect from 1 August 2014. The policy will be reviewed before 30 June 2017, at which time establishing risk criteria will be considered on the basis of risk data accumulated during the period from 2014 to 2016. A detailed administrative instruction outlining the implementation modalities will follow shortly. An e-learning course on enterprise risk management is also being developed and will be launched in the fourth quarter of 2014. The initial round of risk assessments is expected to be completed by 31 March 2015.

Department responsible:	Executive Office and Enterprise Risk Management Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

410. **In paragraph 114, the Board recommended that UNHCR review the various approaches to project tracking across its network in order to identify**

[19] A/66/5/Add.5, chap. II.

best practices with wider applicability and assess compatibility with the corporate information technology strategy.

411. Owing to the difficulties encountered in the upgrade of the UNHCR results-based-management software (Focus Client), consultations are under way to examine whether alternative commercial software applications may provide a long-term solution to meet the organizational management support currently provided by the Focus Client system. These discussions incorporate the dimension of enhancing operations' ability for project tracking. The experiences from the approaches to project tracking in the Iraqi and Syrian situations (known as ProjectInfo and ActivityInfo, respectively) are being examined in order to identify key lessons learned with a view to examining broader applicability.

Department responsible:	Division of Program.me Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

412. **In paragraph 117, the Board recommended that UNHCR adopt a risk-based approach to managing partners on the basis of clearly defined requirements, objective and well-evidenced risk assessment of partners, and robust arrangements to monitor its consistent application by country offices.**

413. Following the audit recommendation, a phased multi-year workplan for embedding risk management and enhancing controls into the framework for project implementation with partners was put in place in 2011 and was expected to be completed by the end of 2014. The multi-year workplan is progressing as planned. Policy and procedures on the selection and retention of partners, as well as new standard project partnership agreements, were issued in 2013. A new approach of shifting towards a risk-based project audit was developed and approved by senior management in July 2014 and will be applied for the audit of 2014 projects.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

414. **In paragraph 133, UNHCR agreed with the Board's recommendation that, in developing its new management approach and to help improve consistency, it establish common checklists that can be used by officers in the field to detail the partner visits they undertake. The checklists should emphasize the need for firm action by country offices to tackle partner underperformance, and should require full documentation of the action taken. This recommendation replaces the Board's previous recommendation.**

415. A guidance note on risk-based monitoring, verification and project risk management has been developed and is being piloted in several countries, including

Jordan and Lebanon, and in the West Africa region. It is expected to be rolled out fully by the end of 2014.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

Report of the Board for the year ended 31 December 2011[20]

416. **In paragraph 39, UNHCR agreed with the Board's recommendation that it develop appropriate job descriptions and prioritize the recruitment of suitably qualified personnel for appointment to the approved additional finance and project control posts as soon as practicable.**

417. With effect from 2013, the High Commissioner approved the creation of 50 finance, administrative and project control positions to strengthen financial capacity in field operations. The job descriptions for these positions have been revised, and UNHCR planned to fill them through a phased approach, taking into consideration the budgeting cycles and resource availability. In addition, since 2012, in order to strengthen the process of selection of suitable staff, UNHCR has used a system by which candidates to finance, administrative or project control Professional positions are functionally assessed and cleared by the Division of Financial and Administrative Management. Furthermore, the administrative/finance profile was one of the five functional profiles created as part of the UNHCR entry-level humanitarian Professional programme launched in 2013. Of the 50 positions mentioned above, 24 were established in 2013 and the remaining ones in 2014 as part of the UNHCR capacity-building initiative.

Department responsible:	Division of Financial and Administrative Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

418. **In paragraph 46, the Board recommended that UNHCR: (a) implement appropriate high-level financial controls for monitoring activities in the field and review its existing accountability structures to identify and ensure that an appropriate internal controls framework exists and is in operation; and (b) benchmark its accountability structure against similar devolved organizations, working towards a framework that meets operational needs while enhancing accountability and control.**

419. UNHCR proceeded to review its framework of financial controls and, following the completion by a consultant of a comparison with and benchmarking against similar devolved organizations and a review of the existing controls,

[20] A/67/5/Add.5, chap. II.

UNHCR has selected for its internal controls framework the Committee of Sponsoring Organizations of the Treadway Commission model, which it considered suitable to enable it to effectively and efficiently develop and maintain systems of internal controls. A framework of internal controls based on the chosen model, with a focus on financial controls, has been developed and is now in the final stages of clearance by senior management before being formally issued.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

420. **In paragraph 120, UNHCR agreed with the Board's recommendation that it prioritize: (a) improved recording on its enterprise resource planning system (MSRP), by local supply teams or, if this is not achieved, reversion by the Supply Management Service to centralized shipment tracking in order to provide a viable delivery time measure; (b) comparability between the emergency and non-emergency delivery performance measures maintained by the Supply Management Service; (c) capturing aspects of professional competence within the staffing indicator maintained by the Supply Management Service; and (d) cascading the corporate key performance indicators developed by the Supply Management Service to form a basis for country-level reporting on supply performance.**

421. The following measures have been taken to implement this recommendation: (a) UNHCR has assigned a Senior Supply Officer for the central tracking of shipment, who has developed key performance indicators on the basis of which the performance of the four freight forwarders, specifically timely delivery, is measured. The results are discussed with the freight forwarders in regular meetings; (b) expected versus actual delivery times are tracked by the Supply Officer responsible for shipment tracking and regular reports established; (c) UNHCR has introduced several measures to improve the professional competence of supply staff, including technical clearance of positions in the field by the relevant division at headquarters. The Supply Management Logistics Service has provided formal input to the performance appraisal of the Senior Supply Officers in the top 20 operations; and (d) ad hoc reporting for emergency operations has been introduced to track relevant shipment data, such as estimated time of delivery, actual time of delivery and shipment costs. The reporting has been further improved: flows and stock reports showing the evolution by month are now generated to complement the analysis of potential surplus of stock.

Department responsible:	Division of Emergency, Security and Supply
Status:	Implemented
Priority:	High
Target date:	Not applicable

422. **In paragraph 130, the Board recommended that UNHCR investigate the potential to institute quantified analysis of warehouse requirements for all major non-food item and material deliveries that are in the pipeline in the MSRP financial management system.**

423. In addition to the actions previously reported, UNHCR has completed a review of the structure for all warehouses with some refinements compared with 2013, such as the analysis of inventory flows and container movements. Furthermore, a mission to the Democratic Republic of the Congo to review the warehouse structure in that operation and optimize it in line with operational requirements has been completed. In addition, a mission to the West Africa region with the same aim is planned for the fourth quarter of 2014. UNHCR is also analysing the optimum number of centrally managed warehouses to maintain.

Department responsible:	Division of Emergency, Security and Supply
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

424. **In paragraph 138, the Board recommended that the UNHCR Supply Management Service: (a) implement its plans to create reliable supplier performance information as quickly as possible; and (b) systematically use this information to manage supplier performance and contracts and make evidence-based decisions in awarding framework agreements.**

425. UNHCR is measuring supplier performance through quality monitoring, delivery performance and price compliance in accordance with the terms agreed in frame agreements and other contractual instruments. Processes are in place to include as many contracts as possible, in particular high-value contractual agreements. Vendor evaluation forms have been developed for both goods and services and are available on the UNHCR intranet site. Work has been done to encourage the systematic use of the feedback forms by supply staff in country operations.

426. In addition, further actions are being taken to improve supplier information: shipment dates have been included in purchase orders and are tracked, and supplier performance information is now used to determine the allocation of order volumes to suppliers for new frame agreements.

Department responsible:	Division of Emergency, Security and Supply
Status:	Implemented
Priority:	High
Target date:	Not applicable

427. **In paragraph 142, UNHCR agreed with the Board's recommendation that it avoid duplicated and divergent efforts by different country offices by: (a) defining the information to be collated and retained for tracking supplier performance in terms of the timeliness, quality and completeness of consignment delivery; and (b) developing an easy-to-use template for supply units to capture such data consistently.**

428. Please refer to the comments of UNHCR in paragraph 425 above to the recommendation in paragraph 138 of the Board's report for the year ended 31 December 2011.

Department responsible:	Division of Emergency, Security and Supply
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

429. **In paragraph 149, UNHCR agreed with the Board's recommendation that it emphasize in its guidance to supply officers the underlying planning principle that the collective uncertainties with regard to tendering, supplier performance, logistics, scope for government intervention and involvement by multiple partners will tend to extend practical lead times for medical supplies well beyond theoretical durations. In some cases this will demand earlier requisitioning.**

430. Standard operating procedures for supply and demand and replenishment planning are compulsory elements of the UNHCR planning process. These standard operating procedures are also applicable in the planning of medical supplies. A dedicated page on the UNHCR intranet site provides instructions on medicine management, and trained public health officers attend regional workshops on improved medicine management. UNHCR re-emphasizes to supply officers in the field that the lead time for medical supplies be no longer than four to six months.

Department responsible:	Division of Emergency, Security and Supply
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

431. **In paragraph 155, UNHCR agreed with the Board's recommendation that it amend its Supply Manual to require country supply teams to regularly market test key locally procured services according to specific cycles.**

432. A requirement for market research is already included in the UNHCR Supply Manual under the relevant chapter on supply chain management. The Manual also stipulates the need to establish procurement plans describing assumptions, decisions and justifications. The review of market conditions is an integral element of the procurement plan.

Department responsible:	Division of Emergency, Security and Supply
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

Report of the Board for the year ended 31 December 2012[21]

433. **In paragraph 57, the Board recommended that UNHCR enhance its inventory management systems to support more informed replenishment decisions, including by alerting supply officers when inventory levels are below a designated minimum level and directing supply officers to the most efficient replenishment option.**

434. The implementation of this recommendation is on track as planned. UNHCR has developed new standard operating procedures for planning supply needs for core relief items, including annual purchasing needs and replenishment procedures. As from 2014, these procedures have become a compulsory element of the UNHCR planning and resource allocation process.

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

435. **In paragraph 59, the Board recommended that UNHCR, in order to achieve more efficient use of resources, develop and regularly update an organizational inventory procurement plan that: (a) considers both local and centrally managed requirements for standard inventory items; and (b) is based on past experience with demand and the most likely scenarios, while also maintaining the required level of buffer inventory.**

436. Comprehensive standard operating procedures for supply chain planning have been developed and are a compulsory element of the UNHCR planning and resource allocation process as from 2014. The implementation of this recommendation is on track and will have been completed by the end of 2014, once the standard operating procedures are integrated in the budget planning cycle for 2015.

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

437. **In paragraph 68, the Board recommended that UNHCR: (a) designate a senior risk officer with a clear mandate to implement the updated anti-fraud strategic framework; (b) perform a comprehensive fraud risk assessment to identify its main areas of risk exposure; and (c) define its tolerance for the different types of fraud risk identified.**

438. UNHCR issued a revised strategic framework for the prevention of fraud and corruption in July 2013 to serve as a transparent and user-friendly reference for the purposes of awareness, advocacy and implementation of preventive measures which can significantly minimize fraud and corruption within the organization. Under the

[21] A/68/5/Add.5, chap. II.

sponsorship of the Deputy High Commissioner, the Controller has been mandated to implement this framework. For this purpose, the Controller will proceed with initiating the development, with the assistance of external expertise, of a concrete and practical plan, focusing on key risk areas such as finance and procurement and putting in place corresponding training mechanisms and communication and awareness programmes. The plan is expected to be fully implemented by the end of 2015. In respect of risk assessment, the policy for enterprise risk management issued in July 2014 requires field operations and headquarters entities to assess fraud risks as part of risk assessment at least annually. Establishing fraud risk tolerance based on fraud type will be considered at the time of setting wider risk criteria.

Department responsible:	Executive Office and Enterprise Risk Management Unit
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

439. **In paragraph 76, the Board recommended that UNHCR require country representatives to conduct fraud risk assessments in relation to all implementing partners as part of its overall risk-based approach.**

440. The revised strategic framework mentioned above requires, among other things, that UNHCR representatives perform a comprehensive fraud risk assessment, including of activities implemented through partners. In addition, UNHCR is developing a guidance note on project risk management that will include further guidance on fraud risk assessment for projects implemented by partners, the establishment of appropriate controls for the prevention of fraud and enhancing the requirements of ethical conduct on the part of partners' personnel. UNHCR has already inserted in the standard project partnership agreements specific and strict clauses on anti-corruption and anti-fraud practices which, if not observed by the partners, may lead to the termination of the agreement.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

441. **In paragraph 82, the Board recommended that UNHCR: (a) analyse biannual activity reports in conjunction with financial reports to monitor how costs relate to activities carried out and to better assess whether the implementing partner is on track to meet its targets or whether UNHCR needs to intervene; and (b) more closely align instalment payments with the implementing partner's planned activities and service delivery to minimize inefficiencies or delays in programme delivery due to fluctuations in funding.**

442. UNHCR is currently developing a system to manage payments to partners in order to align such payments with the rate of implementation of the planned

activities. An information technology company has been commissioned to implement the changes that need to be brought to the UNHCR enterprise resource planning system. The new tool is expected to be tested in the last quarter of 2014 and rolled out in 2015.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

443. **In paragraph 93, the Board recommended that UNHCR: (a) compile a fleet management manual by the end of 2014, consolidating extant office memorandums and addressing key gaps in coverage, including the fleet management practices to be followed at the country level; and (b) establish a policy stating that country fleets exceeding 30 vehicles should be managed by staff qualified in the areas of logistics and fleet management.**

444. The development of a fleet management manual addressing such aspects as the need to have qualified staff managing fleets exceeding a certain size is well on track and will be completed as planned.

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

445. **In paragraph 94, the Board also recommended that UNHCR deploy a standard vehicle fuel consumption and maintenance cost analysis tool to all country offices by the end of 2013, in the form of either a global fleet management project input template or an offline spreadsheet.**

446. UNHCR is introducing a fleet management software application, FleetWave, which will provide the functionality to track and analyse fuel consumption and maintenance costs, among other functions. The customization of the fuel and maintenance module is under way, and the system is planned for production in 2015. In the meantime, an offline solution will be introduced as recommended by the Board, and a spreadsheet for this purpose has already been developed and will be rolled out in the operations before the end of 2014.

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

447. **In paragraph 105, the Board recommended that UNHCR include in the new fleet management manual guidance on how to assess alternatives to the use**

of distant garages when remote servicing can result in excessive mileage, extended vehicle downtime and high transit costs. Guidance should include requirements for: (a) periodic testing of local markets for the availability of closer commercial maintenance facilities of the requisite standard; (b) periodic review of the scope for United Nations agencies, non-governmental organizations and implementing partners to procure maintenance collectively, to leverage greater bargaining power or attract reliable operators to open facilities nearby; and (c) consideration of the maintenance of a stock of oil and filters at the field office level to enable the most basic (category A) servicing to take place in the field.

448. UNHCR is pursuing a comprehensive approach to address this recommendation. First, UNHCR is developing a fleet management handbook, which will be ready early in 2015. Second, the management of maintenance and repair costs will be addressed in a subsequent phase of the global fleet management project that will start in 2015 and will have been completed by the end of 2016.

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

449. **In paragraph 109, the Board recommended that, as part of the global fleet management project, UNHCR develop a vehicle safety section within the fleet management manual: (a) emphasizing the need for the proactive management of vehicle safety in country offices; and (b) requiring the quarterly analysis of driver performance on the basis of satellite tracking data, such as excessive maximum and average speeds, excessive driving hours and vehicle use outside working hours.**

450. UNHCR is developing a fleet management handbook, to be ready early in 2015 and including a vehicle safety section. In addition, UNHCR is installing tracking devices in all vehicles under the global fleet management scheme, replacing the vehicles managed by the field operations. It is expected that all UNHCR vehicles will have been covered under the scheme by the end of 2018 and therefore equipped with these devices. As soon as a sufficient number of such vehicles with tracking devices are rolled out to a country, the reports recommended by the Board will be available in that country. The majority of UNHCR vehicles are expected to be equipped with tracking devices by the end of 2015.

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

X. Fund of the United Nations Environment Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2013[22]

451. The status of implementation of the main recommendations as at August 2014 is summarized in table 25.

Table 25
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office for Operations	3	–	1	2	2	–
Total	**3**	**–**	**1**	**2**	**2**	**–**
Percentage	**100**	**–**	**33**	**67**		

452. The status of implementation of all recommendations as at August 2014 is summarized in table 26.

Table 26
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office for Operations	6	1	2	3	3	–
Total	**6**	**1**	**2**	**3**	**3**	**–**
Percentage	**100**	**17**	**33**	**50**		

453. **In paragraph 26, the United Nations Environment Programme (UNEP) agreed with the Board's recommendation that it: (a) require funds management officers to closely monitor project budget implementation to ensure that project expenditures are in line with approved allotments; (b) improve controls over the project funds and perform monthly reconciliations to allow for proper authorizations before any redeployment is effected; and (c) liaise with the United Nations Office at Nairobi to improve budgetary controls within the Integrated Management Information System (IMIS), if it is considered beneficial to undertake any reconfiguration before it is replaced by the new enterprise resource planning system, Umoja.**

454. This recommendation partially relates to what the Board considers to be a system deficiency in IMIS, in that it has no funds sufficiency check for fund type 4. UNEP considers that it is not beneficial to undertake any reconfiguration at this stage, as IMIS will soon be replaced by Umoja.

[22] A/69/5/Add.7, chap. II.

Department responsible:	Office for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

455. **In paragraph 31, the Board recommended that UNEP: (a) establish a well-designed database for its implementing partners to enable proper tracking and monitoring of information; and (b) keep a sufficient trail of advances issued to implementing partners.**

456. IMIS acts as a central repository for information regarding all UNEP implementing partners, including the status of advances paid to them. UNEP will continue to use the current IMIS reports and expects that tracking of partners and their activities will be enhanced with the implementation of Umoja.

Department responsible:	Office for Operations
Status:	Not accepted
Priority:	Medium
Target date:	Not applicable

457. **In paragraph 36, the Board recommended that UNEP enhance the enforcement over the submission of the outstanding audit certificates and ensure in future that all audit certificates are submitted within the time frame stipulated in the project cooperation agreement.**

458. The recommendation relates to UNEP projects financed by the Global Environment Facility, and the Board was informed that external audit certificates of the implementing partners are not always available by June of the following year. Concerted efforts continue to be made to obtain the certificates as soon as they become available, as evidenced by the high compliance rate that UNEP has consistently achieved in obtaining over 90 per cent of the required certificates for the past few bienniums.

Department responsible:	Office for Operations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

459. **In paragraph 39, UNEP agreed with the Board's recommendation that it strengthen procurement planning and deploy effective monitoring and close follow-ups on contract management with a view to minimizing the use of ex post facto approval of contracts.**

460. Following new guidelines issued by UNEP in March 2013, the number of ex post facto cases has decreased significantly.

Department responsible:	Office for Operations
Status:	Implemented
Priority:	High
Target date:	Not applicable

461. **In paragraph 45, UNEP agreed with the Board's recommendation that it identify and address the causes of delays in the finalization of projects so that all operationally closed projects are also financially closed within 24 months in accordance with the UNEP project manual.**

462. UNEP is addressing this issue as part of an ongoing data cleansing exercise in preparation for the implementation of Umoja, with a view to minimizing the number of old completed projects that are migrated from IMIS to Umoja. Other procedural issues that delay project closure, such as receipt of final audit reports and settlement of receivable balances, are also being addressed.

Department responsible:	Office for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

463. **In paragraph 54, in order to ensure that there is proper disclosure and that the migration to IPSAS takes place smoothly and in a timely manner, the Board recommended that UNEP review its IPSAS implementation plan to address the urgent need for: (a) inspecting the remaining large balance of unliquidated obligations before the preparation of dry-run financial statements; (b) reviewing its long-outstanding receivables for provisioning of doubtful debt; (c) correcting non expendable properties identified with the deficiencies; and (d) engaging closely with United Nations Headquarters for reconciliation of donor agreement information.**

464. UNEP is following all new guidelines issued by United Nations Headquarters on the procedures required to ensure IPSAS-compliant financial statements for the year ending 31 December 2014.

Department responsible:	Office for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

465. In the annex to its report for the biennium ended 31 December 2013 (A/69/5/Add.7, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall

situation as at August 2014 on the nine recommendations assessed as "under implementation" by the Board is summarized in table 27. The information on the prior recommendations is set out in the order in which they are presented in the annex.

Table 27

Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the financial period ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office for Operations	5	–	2	3	2	1
Office for Operations and United Nations Office at Nairobi	3	–	1	2	2	–
Office for Operations and Department of Management	1	–	–	1	–	1
Total	**9**	**–**	**3**	**6**	**4**	**2**
Percentage	**100**	**–**	**33**	**67**		

Report of the Board for the biennium ended 31 December 2009[23]

466. **In paragraph 38, UNEP agreed with the Board's recommendation to: (a) continue to prepare the implementation of IPSAS in collaboration with the United Nations Office at Nairobi; and (b) specify its needs for the migration of the Crystal software to the future enterprise resource planning system of the Secretariat (Umoja).**

467. This recommendation is under implementation through data cleansing and other processes for the implementation of Umoja.

Department responsible:	Office for Operations and United Nations Office at Nairobi
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

468. **In paragraph 88, the Board recommended that UNEP, in collaboration with the United Nations Headquarters administration, revise its accounting treatment of education grants.**

469. Following the implementation of IPSAS with effect from 1 January 2014, accounting for education grants in the UNEP financial statements for 2014 will be compliant with IPSAS requirements.

[23] A/65/5/Add.6, chap. II.

Department responsible:	Office for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

470. **In paragraph 112, the Board reiterated its previous recommendation that UNEP set up specific funding to balance in its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly.**

471. UNEP will continue to obtain guidance from the Office of the Controller at United Nations Headquarters with regard to the funding of end-of-service and post-retirement benefits.

Department responsible:	Office for Operations and Department of Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

472. **In paragraph 129, UNEP agreed with the Board's recommendation that it consider a review of its policy for the valuation of leave liability in its implementation of IPSAS.**

473. Following the implementation of IPSAS with effect from 1 January 2014, the valuation of leave liability in the UNEP financial statements for 2014 will be compliant with IPSAS requirements.

Department responsible:	Office for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

474. **In paragraph 177, UNEP agreed with the Board's recommendation that, in coordination with the United Nations Office at Nairobi, it: (a) take advantage of the upcoming implementation of the new enterprise resource planning system to eliminate journal voucher entries; and (b) strengthen internal control over journal voucher entries and the access rights to make them.**

475. This recommendation will be implemented in line with the implementation of Umoja.

Department responsible:	Office for Operations and United Nations Office at Nairobi
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

Report of the Board for the biennium ended 31 December 2011[24]

476. **In paragraph 46, UNEP agreed with the Board's recommendation that UNEP: (a) continue to review the nature of its relationship with each of the multilateral environmental agreements, taking full account of the extent to which the multilateral environmental agreements have already implemented procedures that place them outside the scope of the operational and financial control of UNEP; and (b) determine for the purposes of IPSAS transition whether the multilateral environmental agreements concerned remain within or under the operational and financial control of UNEP.**

Department responsible:	Office for Operations
Status:	Implemented
Priority:	High
Target date:	Not applicable

477. **In paragraph 66, the Board recommended that UNEP consider the feasibility of introducing procedures to mitigate exchange rate risks, subject to guidance from United Nations Headquarters and consideration of the costs and benefits.**

Department responsible:	Office for Operations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

478. **In paragraph 69, the Board reiterated its previous recommendation that UNEP set up specific arrangements to fund its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly. The Board recognizes that UNEP will need to seek guidance from United Nations Headquarters on this matter.**

479. Please refer to the comments of UNEP in paragraph 471 above to the recommendation in paragraph 112 of the Board's report for the biennium ended 31 December 2009.

[24] A/67/5/Add.6, chap. II.

Department responsible:	Office for Operations and Department of Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

480. **In paragraph 76, the Board recommended that UNEP, in liaison with the United Nations Office at Nairobi, seek guidance and clarification from United Nations Headquarters on the management of currency exchange risk on all large non-United States dollar balances within its investment pool.**

Department responsible:	Office for Operations and United Nations Office at Nairobi
Status:	Implemented
Priority:	High
Target date:	Not applicable

XI. United Nations Population Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2013[25]

481. The status of implementation of the main recommendations as at August 2014 is summarized in table 28.

Table 28
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	1	–	–	1	1	–
Division for Management Services	1	–	–	1	1	–
Division for Human Resources	1	–	–	1	1	–
Procurement Services Branch	1	–	–	1	1	–
Programme Division and Division for Management Services	1	–	–	1	1	–
Total	**5**	**–**	**–**	**5**	**5**	**–**
Percentage	**100**	**–**	**–**	**100**		

[25] A/69/5/Add.8, chap. II.

482. The status of implementation of all recommendations as at August 2014 is summarized in table 29.

Table 29
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	3	–	–	3	3	–
Division for Management Services	2	–	–	2	2	–
Division for Human Resources	2	–	–	2	2	–
Procurement Services Branch	2	–	–	2	2	–
Programme Division and Division for Management Services	1	–	–	1	1	–
Programme Division	1	–	–	1	1	–
Total	**11**	**–**	**–**	**11**	**11**	**–**
Percentage	**100**	**–**	**–**	**100**		

483. **In paragraph 16, the United Nations Population Fund (UNFPA) agreed with the Board recommendation to: (a) align the operations of the decentralized offices to cover assessment of the sub-offices to ensure they are in compliance with the requirements of the UNFPA guidelines for decentralized offices; (b) establish clear descriptions of roles and responsibilities between country offices and decentralized offices; and (c) improve the staffing of the offices and set performance targets, systematic monitoring and assessment criteria for focal points to ensure the quality and timely delivery of the assigned responsibilities.**

484. UNFPA will undertake a comprehensive assessment, through the respective regional and country offices, of all existing decentralized offices by June 2015. This assessment will include an exclusive focus on the review of a clear business case submitted and approved at the time of the office's establishment.

Department responsible: Office of the Executive Director

Status: In progress

Priority: High

Target date: Second quarter of 2015

485. **In paragraph 21, UNFPA agreed with the Board's recommendation to consider harmonizing the implementing partner capacity assessment tool and the harmonized approach to cash transfers to improve the assessment of implementing partners.**

486. UNFPA has initiated discussions with UNDP and UNICEF to review the possibility of integrating the remaining agency-specific assessments, such as the

UNFPA implementing partner capacity assessment tool, into one harmonized United Nations assessment tool. Currently, only the assessment of the financial management and procurement capacities of implementing partners are harmonized in the "microassessment" of the harmonized approach to cash transfers. The UNFPA implementing partner capacity assessment tool contains areas of programme management, monitoring and technical capacity that are currently not part of the microassessment, and other agencies also have similar assessments for at least some implementing partners. The agencies have shared these assessments and agreed to explore the harmonization and integration of remaining capacity areas into the microassessment template in 2015.

Department responsible:	Programme Division and Division for Management Services
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

487. **In paragraph 25, the Board recommended that UNFPA agree, along with the implementing partners, to abide by the terms of their engagement and ensure the signing of annual workplans is completed in advance of the implementation of any new projects.**

488. The revised policy and procedures for the preparation and management of workplans emphasize the requirement of timely workplan signing. The launch of the global programming system in November 2014 will provide additional control points.

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

489. **In paragraph 30, UNFPA agreed with the recommendation of the Board to ensure there is adequate representation in the coordination and oversight of the activities of the field offices by filling the long-outstanding vacant posts on an urgent basis in order to achieve the Fund's programme objectives more efficiently and effectively.**

490. To minimize the vacancy rate, UNFPA developed and implemented a leadership pool initiative in 2013, which pre-screens potential candidates to fill core business positions in a more proactive manner and thus builds the Fund's candidate pool for critical leadership positions. Furthermore, UNFPA is employing executive search services to ensure the speedy filling of senior-level vacancies with high-calibre candidates. In addition, the Division for Human Resources will implement the recommendations made by the UNDP Management Consulting Team, a network of internal advisers that advise UNDP and its sister United Nations funds and programmes to overcome organizational challenges and to improve effectiveness and efficiency, to restructure the UNFPA recruitment process and thus make it more efficient.

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

491. **In paragraph 34, UNFPA agreed with the recommendation of the Board that it adhere to the recruitment guide by: (a) ensuring that the hiring of service-contract holders is not used as a substitute for the recruitment of fixed-term officers; (b) whenever service-contract holders are hired the length of their contracts should not exceed the contract periods stipulated in the service contract user guide; and (c) reconfigure the web-based tool to improve the monitoring and evaluation of the performance of special service agreements and service contracts in a timely manner.**

492. Data on the service contract holders population are being imported into the Atlas human capital management module. Service contracts are managed locally by UNFPA managers and administered by UNDP. The possibility for UNFPA managers to have access to those data will be explored with UNDP to ensure that UNFPA managers can better manage service contract appointments in coordination with UNDP field offices. In addition, the UNFPA Division for Human Resources will provide the new UNDP service contract handbook to UNFPA country offices, as well as address the issues noted on the use of service contracts.

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

493. **In paragraph 39, the Board recommended that UNFPA make proper use of the established monitoring tool for vendor assessment and ensure that country offices evaluate the performance of the suppliers of goods and services with contracts below $50,000 in order to identify deficiencies that require improvement.**

494. UNFPA procurement procedures stipulate mandatory evaluation requirements for all contracts issued to long-term agreement suppliers for core reproductive health commodities, regardless of the value, as well as for contracts that are equal to or exceed $50,000. By the end of 2014, the Procurement Services Branch will have performed an analysis of what a realistic threshold could be for country offices and consider what existing tools could be used for the monitoring and evaluation of any procurement lower than the threshold. On the basis of the outcome of that analysis, the Procurement Services Branch will include the recommended threshold for country offices, along with information on systems for input and tracking, in the next revision of the UNFPA procurement procedures planned for 2015.

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

495. **In paragraph 44, UNFPA agreed with the recommendation of the Board that it collaborate with other United Nations agencies to establish long-term agreements with suppliers for services utilized by the field offices on a regular basis.**

496. The UNFPA procurement procedures (sect. 14, on cooperation) contain clear guidelines on cooperation with other entities, especially with regard to the creation and use of contracts. In addition, updated guidelines on common United Nations procurement were published in 2012 by the Procurement Network of the High-level Committee on Management. The guidelines can be used by all United Nations country teams to strengthen their collaboration in procurement, either by establishing joint long-term agreements, sharing existing long-term agreements or using another United Nations agency's procurement services. Under phase II of the harmonization project that UNFPA is currently leading, more capacity-building workshops on harmonized procurement for procurement practitioners from all United Nations agencies in all duty stations have been and will continue to be organized. The best practices document on sharing and using long-term agreements was developed by the phase II project team and is currently under review by the Procurement Network. Once endorsed, it can be applied by all United Nations duty stations to standardize their collaboration process on existing long-term agreements. Meanwhile, the Procurement Services Branch is providing guidance to UNFPA country offices on how such agreements should be shared and used.

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

497. **In paragraph 47, UNFPA agreed with the recommendation of the Board that the training needs of the users of the inventory management system be identified in order to improve their skills for the better management of inventory and reporting.**

498. UNFPA performed an analysis of emerging training needs in the area of inventory management and reporting, and three components were identified as a priority for training and ongoing support activities. In responding to the analysis, UNFPA identified and is delivering comprehensive training consisting of online and face-to-face courses (webinars) addressed to all country offices that are involved in the management and distribution of reproductive health commodities.

Department responsible:	Division for Management Services
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

499. **In paragraph 50, UNFPA agreed with the Board's recommendation that it continue enhancing its efforts to bridge the funding gap in the outstanding liabilities in employee benefits within the proposed time schedule.**

500. UNFPA continues to have one of the best-funded plans within the United Nations system and is continually looking for innovative measures to eliminate the funding gap. The Board of Auditors has acknowledged that UNFPA has already implemented a five-year funding plan to close the current employee liability funding gap. UNFPA management will continue to monitor this innovative plan, which is based on three funding sources: (a) interest earned on existing funding; (b) percentage-based payroll surcharges; and (c) discretionary transfers. In 2014, the investment of these funds will be managed by an external investment fund manager as part of a joint initiative with UNDP, UNICEF and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). With effect from 1 July 2014, UNFPA revised its Financial Regulations and Rules to facilitate investments in a wider range of financial instruments anticipated to provide higher returns.

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

501. **In paragraph 54, the Board recommended that UNFPA ascertain the reasons for the slow rate of implementation of internal audit recommendations and more effectively track and report on progress to senior management.**

502. UNFPA thoroughly reviewed the implementation of internal audit recommendations. As at July 2014, there had been a substantial improvement in the implementation rate, and UNFPA is committed to keeping this momentum.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

503. **In paragraph 58, the Board recommended that UNFPA determine the levels of assurance appropriate for business units ranked as being high- and medium-risk and empower its internal audit with resources, as appropriate, to adapt its audit cycles to the chosen assurance level.**

504. On the basis of its risk appetite and the programmatic and operational challenges that it faces compared with other United Nations agencies with similar global operations, UNFPA is undertaking a study to determine the levels of assurance appropriate for its business units. On the basis of the outcome of the study, UNFPA, in consultation with its Executive Board, will adapt its audit cycles and empower the internal audit resources accordingly.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

505. In the annex to its report for the year ended 31 December 2013 (A/69/5/Add.8, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2014 regarding the 11 prior recommendations assessed as "under implementation" by the Board is summarized in table 30. The information on the prior recommendations is set out in the order in which they are presented in the annex.

Table 30
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the year ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	3	–	–	3	3	–
Division for Human Resources	3	–	–	3	3	–
Division for Management Services	2	–	–	2	2	–
Procurement Services Branch	2	–	–	2	2	–
Nigeria country office	1	–	–	1	1	–
Total	**11**	**–**	**–**	**11**	**11**	**–**
Percentage	**100**	**–**	**–**	**100**		

Report of the Board for the biennium ended 31 December 2009[26]

506. **In paragraph 215, UNFPA Nigeria agreed with the Board's recommendation to comply with rule 114.4 (c) of the UNFPA Financial Regulations and Rules with regard to payments made with no obligating documents.**

[26] A/65/6/Add.7, chap. II.

507. The UNFPA Nigeria country office provided evidence to the Board to demonstrate that payments were made on the basis of certification by the committing officer that the related requests were necessary and that goods were satisfactorily received in accordance with specifications. Evidence was also provided about the availability of supporting documentation, such as copies of related receipts acknowledging payments from vendors. However, a recent internal audit of the Nigeria country office revealed that there were still some deficiencies regarding payments; therefore, this recommendation is still under implementation and will be addressed along with internal audit recommendations.

Department responsible:	Nigeria country office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

508. **In paragraph 262, UNFPA agreed with the Board's recommendation to update the asset management module in Atlas with the correct location information for each asset in compliance with the asset management policy.**

509. As at April 2014, there were 56 items out of roughly 10,000 assets with no location information in the file. That constituted 0.5 per cent of all UNFPA assets and is considered an acceptable margin. Contributing to that rate are assets recently purchased by business units and not yet assigned to a final location. Owing to the difference between when an asset is received and when it is assigned to a final location/person, it is not possible that, at any given period, all assets are assigned to a location. The Division for Management Services is conducting an analysis of assets without a location in order to ascertain that they are in fact newly acquired items and not items for which location information is missing owing to a lack of controls. Through that analysis, the Division for Management Services aims to address the Board's concerns with regard to unallocated assets by demonstrating that assets are without a location for a very limited time after they have been received.

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

Report of the Board for the biennium ended 31 December 2011[27]

510. **In paragraph 83, the Board recommended that UNFPA: (a) provide clarity on the extent of oversight that regional offices should provide to country offices; (b) capacitate regional offices with staff and tools to enable them to carry out the oversight functions; and (c) design and implement the performance measure system to be used to measure the effectiveness and performance of regional offices.**

[27] A/67/5/Add.7, chap. II.

511. UNFPA is in the process of revising its organizational handbook, and the draft version will be presented in the fourth quarter of 2014 to the UNFPA Executive Committee for approval. The revised organizational manual will address the issue of weaknesses and oversight of country offices by the regional offices. All regional offices have been strengthened with the recruitment of Resource Mobilization and Communication Officers. The ongoing recruitment of human resources strategic partners for each regional office is also part of this process. Performance and results monitoring of all business units (including regional offices and country offices) will be undertaken with the new results planning, monitoring and reporting system, which is expected to provide a standardized way for all UNFPA units to plan, monitor and report on results. In line with the UNFPA strategic plan's approach of having an integrated results framework, this system will combine and replace several existing result-reporting systems.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

512. **In paragraph 84, the Board recommended that UNFPA address the weaknesses in its regional office architecture, as recommended by the Division for Oversight Services.**

513. Please refer to the comments of UNFPA above to the recommendation in paragraph 83 of the Board's report for the biennium ended 31 December 2011.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

514. **In paragraphs 91 and 92, the Board reiterated its recommendation that UNFPA comply with its policies and procedures regarding the evaluation of vendor performance. The Board also recommended that UNFPA expedite the correction of the system errors (bugs) on the vendor assessment tool.**

515. UNFPA launched its vendor performance evaluation tool in 2011 to conduct vendor performance evaluation throughout the entire organization. However, system bugs did not allow the full use of the tool. All bugs were fixed in late 2013 with the launch of a system update, and all business units are now able to use the tool. Since 2011, as part of its routine activities, the Procurement Services Branch has been using the tool's reporting facility to monitor country offices and headquarters branches that do not comply with the mandatory requirement on vendor performance evaluation. The Procurement Services Branch continually reminds business units to comply with the mandatory vendor performance evaluation requirements. In addition, the Procurement Services Branch is developing a procurement accountability checklist/dashboard which will display country office adherence with key procurement activities, including status of vendor performance evaluation.

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

516. **In paragraph 147, the Board considered that the findings of the Division for Oversight Services reflected deficiencies in the areas concerned and the Board underscored the need for UNFPA to address those deficiencies.**

517. A number of steps have been taken to examine and strengthen the capacity of regional offices. These include: (a) hiring an external consultancy firm to assess the capacities and roles of regional offices. Two regional offices were visited, which resulted in a set of conclusions and recommendations; (b) a new regional office for West Africa was established to address gaps in implementation; and (c) specific posts, including regional communication advisers, regional resource mobilization advisers and human resources strategic partners, were added to regional offices, with the aim of strengthening the offices' capacities in those areas. UNFPA is committed to addressing the findings of the Division for Oversight Services (now the Office of Audit and Investigation Services) reported in its internal audit reports of UNFPA country and regional offices and corporate processes. UNFPA management is paying special attention to issues of inadequate control and risk management identified in country office audits and the pending recommendations from the 2011 governance and contracts audits.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

Report of the Board for the year ended 31 December 2012[28]

518. **In paragraph 24, the Board recommended that UNFPA: (a) review and update the fixed asset management policy and procedures to provide a clear policy on the actions to be taken when property, plant and equipment are fully depreciated; (b) review the useful life of property, plant and equipment.**

519. In 2013 UNFPA conducted an extensive analysis and review of the useful life attributed to its classes of property, plant and equipment using data that encompassed both in-service and retired assets. Consequently, on the basis of this work and input received from operational management, the useful life estimates were revised. The analysis and proposals were shared in advance with the Board of Auditors. The new useful lives were implemented progressively as from 1 January 2014. Meanwhile, the revised fixed asset management policy is expected to be approved for application during the fourth quarter of 2014.

[28] A/68/5/Add.7, chap. II.

Department responsible:	Division for Management Services
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

520. **In paragraph 45, the Board reiterated its earlier recommendation that UNFPA enhance control over use of special service agreements and only allow special service agreements that are consistent with its policy.**

521. A review of the policy on individual consultants and special service agreement holders is still pending. UNFPA intends to harmonize the policy with the new structure of the consultant roster created as a tool for managing consultants, evaluating all consultants at the end of each contract and retaining high-quality consultants. Even if the hiring of consultants under the special service agreement modality were delegated to managers in the field, the new consultant roster would allow managers to have access to comprehensive information on consultants and enhance control over the use of special service agreements. The special service agreement policy is currently under review by the UNFPA Legal Office.

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

522. **In paragraph 49, UNFPA agreed with the Board's recommendation to abide by the service contract policy by conducting evaluations of service contracts two months prior to the expiration date and provide justification for the renewals.**

523. UNDP and UNFPA continue to work in partnership to import service contract data into the Atlas system. As at July 2014, data on the service contract population from 101 country offices had already been imported into the Atlas human capital management module. Because service contracts are managed locally, the next step will be to explore with UNDP the possibility for UNFPA managers to have access to the Atlas human capital management module so that they can better manage service contract appointments in coordination with UNDP field offices, since UNDP administers service contracts for UNFPA. The Division for Human Resources will continue migrating data on the service contract holders from country offices into the Atlas system. In addition, the Division for Human Resources will provide country offices with access to the new UNDP service contract handbook and address issues noted by the Board regarding the use of service contracts.

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

524. **In paragraph 59, UNFPA agreed with the Board's recommendations that it: (a) improve its leave policy to clearly state the role and approval limits so as to ensure that the headquarters have adequate control on endorsement and granting of special leave; and (b) review Atlas reports on special leave to make it more comprehensive by including duration and reason for granting special leave.**

525. UNDP policy on special leave, which also applies to UNFPA, provides a clear hierarchical segregation of powers for approving such leave. In addition, UNFPA has revisited the Atlas report on special leave to make it more comprehensive by including duration and reason for granting special leave. The report has been developed and tested using a template. During the testing phase, UNFPA identified some system limitations in Atlas affecting the implementation of the special leave report and are now exploring possible solutions to address the issue.

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

526. **In paragraph 67, UNFPA agreed with the Board's recommendation to strengthen the mechanisms for monitoring and reviewing procurements taking into consideration risk and cost factors, by increasing regular reviews of the performance of the requisition units.**

527. The Procurement Services Branch is developing a procurement accountability checklist/dashboard that will display country office adherence with key procurement requirements, including posting of contract awards on the United Nations Global Marketplace, status of vendor performance evaluation, Chartered Institute of Purchasing and Supply certifications, number of ex post facto submissions, and confirmation of physical receipt of goods. UNFPA country representatives will be required to certify compliance with the checklist at regular intervals (e.g. at midyear and year's end) and the oversight role for compliance will rest with the regional offices. In addition, the staff and team officers of the UNFPA Procurement Services Branch are conducting various checks. For example, if the procurement value is higher than $100,000, any solicitation from the country office is reviewed and pre-cleared by the Procurement Services Branch before it is issued. Furthermore, the Procurement Services Branch is going to use the UNDP online contract review committee system, also known as the contract, asset and procurement tool, for review of bidding processes and approval of agreements at the local level (similar to the contract review committee system at the headquarters level). The official launch date of this system is dependent on the signing of a service-level agreement between UNDP and UNFPA in the third quarter of 2014. The launch and rollout to all UNFPA country offices is planned during the fourth quarter of 2014. The tool includes a report function that will allow the Procurement Services Branch to get a good overview of all country office submissions. The system has so far been successfully tested in the Procurement Services Branch and five pilot countries. Furthermore, once the procurement procedures are revised by September 2014, the Procurement Services Branch will take over the role of contract review committee secretary. The Procurement Services Branch will work with the Management Information Services Branch to ensure that the online contract review committee

application used by headquarters includes reporting facilities that will allow it to use the contract review committee data as management information and, hence, strengthen the mechanisms for monitoring and reviewing procurement undertaken by the country offices.

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

XII. United Nations Human Settlements Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2013[29]

528. The status of implementation of the main recommendations as at August 2014 is summarized in table 31.

Table 31
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Overtaken by events*	*Implemented*	*In progress*	*Target date set*	*No target date*
Operations Division	2	1	1	–	–	–
Urban Economy Branch	1	–	–	1	1	–
Total	**3**	**1**	**1**	**1**	**1**	**–**
Percentage	**100**	**33**	**33**	**34**		

529. The status of implementation of all recommendations as at August 2014 is summarized in table 32.

Table 32
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Overtaken by events*	*Implemented*	*In progress*	*Target date set*	*No target date*
Operations Division	7	1	1	5	5	–
Donor Relations and Resource Mobilization Service	1	–	1	–	–	–
Urban Economy Branch	1	–	–	1	1	–
Total	**9**	**1**	**2**	**6**	**6**	**–**
Percentage	**100**	**11**	**22**	**67**		

[29] A/69/5/Add.9, chap. II.

530. **In paragraph 14, the United Nations Human Settlements Programme (UN-Habitat) agreed with the Board's recommendation that it continue monitoring its resource mobilization strategy to reverse the funding trend in order to secure the future delivery of its core mandate.**

531. Although there was a decline in non-earmarked contributions in 2013, there was an increase in earmarked contributions in comparison with the previous periods. UN-Habitat has deployed many efforts in strengthening its resource mobilization systems and practices, including the adoption of a resource mobilization strategy and an enhanced donor information system.

Department responsible:	Donor Relations and Resource Mobilization Service
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

532. **In paragraph 22, UN-Habitat agreed with the Board's recommendation that it implement activities to prioritize and expedite the process of data cleansing so that IPSAS opening balances are finalized well in advance for the preparation of dry-run financial statements.**

533. Intensive work on the opening balances by both UN-Habitat and the United Nations Office at Nairobi (UNON) was completed by the end of July 2014, in time for the dry-run financial statements in August 2014.

Department responsible:	Operations Division
Status:	Implemented
Priority:	High
Target date:	Not applicable

534. **In paragraph 25, UN-Habitat agreed with the Board's recommendation that, in advance of its next strategic plan for 2014-2019, it develop a results-based management policy with a clear implementation manual that provides procedures for performance monitoring, evaluation and reporting.**

535. UN-Habitat has been effectively implementing results-based management since 2008 and has made significant strides, as acknowledged by its Governing Council through its resolution 24/15 of 2013 when it requested the Executive Director "to maintain his current emphasis on results for the achievement of programme objectives". A results-based management policy is being finalized.

Department responsible:	Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

536. **In paragraph 29, UN-Habitat agreed with the Board's recommendation that it improve its monitoring of project budget implementation by (a) establishing adequate authorization controls over the use of project funds for proper redeployments; and (b) maintaining liaison with United Nations Headquarters to address the budgetary control gaps in IMIS.**

537. UN-Habitat, in coordination with UNON, enhanced controls over funds sufficiency to deal with the reported weakness. With the imminent deployment of Umoja, the newly developed procedures will adequately address the budgetary control gaps in IMIS.

Department responsible:	Operations Division
Status:	Overtaken by events
Priority:	High
Target date:	Not applicable

538. **In paragraph 34, UN-Habitat agreed with the Board's recommendation that it: (a) follow up with the United Nations agencies for timely submission of the inter-organizational vouchers; and (b) clear all the outstanding unliquidated obligations after the end of the period in which they were created.**

539. UN-Habitat is in the final stage of reviewing and clearing all prior year unliquidated obligations as part of the preparation for the Umoja implementation and IPSAS opening balances validation process.

Department responsible:	Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

540. **In paragraph 39, UN-Habitat agreed with the Board's recommendation that it: (a) set a timeline to implement the resolution of its Governing Council in identifying a suitable partner to run the Experimental Reimbursable Seeding Operations Trust Fund and draw up comprehensive terms of reference for adequate operations and risk management; (b) set up and document a clear monitoring and assurance framework for the use and accountability of Experimental Reimbursable Seeding Operations funds; and (c) closely follow up the repayment from each borrower and ensure they adhere to the repayment schedule.**

541. On 23 November 2012, UN-Habitat updated its Committee of Permanent Representatives on the status of the implementation of Governing Council resolution 23/10 and that it had been unable to find a suitable partner or structure to transfer the Experimental Reimbursable Seeding Operations portfolio to. As a result, and also considering the small size of the portfolio, UN-Habitat will administer the operation of the portfolio in-house. As part of an internal review, UN-Habitat is in the process of implementing a mechanism to ensure that individual loans are used for an intended purpose. UN-Habitat has also been monitoring the loan repayment,

which is on schedule, and will update the Board on the status of the repayment during its next visit.

Department responsible:	Urban Economy Branch
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

542. **In paragraph 42, UN-Habitat agreed with the Board's recommendation that it comply with the United Nations Procurement Manual and that it use a competitive procurement process wherever possible. Where UN-Habitat has to use the ex post facto process, the reasons for doing so should be documented and approval secured from the local committee on contracts.**

543. UN-Habitat, in conjunction with UNON, will enhance its training and mechanisms to ensure full compliance.

Department responsible:	Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

544. **In paragraph 46, UN-Habitat agreed with the Board's recommendation that it: (a) monitor all United Nations at Nairobi contract management activities where it is a main beneficiary by ensuring, where appropriate, that competitive bidding procedures are used before awarding any consultancy contracts; and (b) enforce the registration requirement for all selected consultants.**

545. UN-Habitat, with assistance from UNON, will update the Board during its next audit visit on the monitoring activities. UN-Habitat will also ensure there is proper registration of selected vendors.

Department responsible:	Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

546. **In paragraph 50, UN-Habitat agreed with the Board's recommendation that it introduce cost-effective mitigation procedures such as opening official bank accounts and including penalty/recovery clauses in the contracts with team leaders.**

547. UN-Habitat, in conjunction with UNON, will consider adequate controls and measures to mitigate the risks reported by the Board.

Department responsible:	Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

B. Implementation of the recommendations contained in the reports of the Board of Auditors for the prior financial periods

548. In the annex to its report for the biennium ended 31 December 2013 (A/69/5/Add.9, chap. II), the Board provided a summary of the status of implementation of recommendations from the previous financial period. The overall situation as at August 2014 regarding the six recommendations assessed either as "under implementation" or "not implemented" by the Board is summarized in table 33. The information on prior recommendations is set out in the order in which they are presented in the annex.

Table 33

Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2013

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Operations Division	5	2	3	3	–
Office of the Executive Director	1	1	–	–	–
Total	**6**	**3**	**3**	**3**	**–**
Percentage	**100**	**50**	**50**		

Report of the Board for the biennium ended 31 December 2011[30]

549. **In paragraph 24, UN-Habitat agreed with the Board's recommendation that it review the costs and benefits of introducing procedures to mitigate exchange rate risks and losses. In coordination with the United Nations Office at Nairobi, and subject to guidance from United Nations Headquarters, this could include commercially available solutions.**

550. UN-Habitat's treasury is administered by UNON, under the guidance of the Department of Management in New York. UN-Habitat previously provided comments addressing exchange rate risks and losses as part of a draft policy that was being developed by United Nations Headquarters. Once that policy is finalized, UN-Habitat will implement it accordingly.

[30] A/67/5/Add.8, chap. II.

Department responsible:	Operations Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

551. **In paragraph 36, the Board reiterated its previous recommendation that UN-Habitat set up specific arrangements to fund its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly.**

552. UN-Habitat has sought and is waiting for guidance from United Nations Headquarters. Depending upon the advice received, UN-Habitat will seek relevant authorizations from its Governing Council and the General Assembly.

Department responsible:	Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

553. **In paragraph 39, UN-Habitat agreed with the Board's recommendation that UN-Habitat and the United Nations Office at Nairobi investigate all unsupported balances within its ledgers and take steps to cleanse the ledgers of these balances through appropriate write-offs.**

554. UN-Habitat, with assistance from UNON, has completed the review and made necessary adjustments in the ledgers.

Department responsible:	Operations Division
Status:	Implemented
Priority:	High
Target date:	Not applicable

555. **In paragraph 45, UN-Habitat agreed with the Board's recommendation that it establish a simple organization-wide risk management approach, building on its initial work and existing reporting arrangements, and aligned with recent United Nations Headquarters developments during 2012.**

556. UN-Habitat is coordinating its approach to risk management with that of United Nations Headquarters and will soon implement an initial phase.

Department responsible:	Operations Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

557. **In paragraph 69, UN-Habitat also agreed with the Board's recommendation that it: (a) verify that evidence to support reported performance is robust; and (b) given the number of activities that support its reported performance, consider adopting a sample-based verification process.**

558. UN-Habitat made improvements by establishing a system for consistently collecting evidence to support reported achievements during the implementation of the new strategic plan 2014-2019. That evidence is captured in the Integrated Monitoring and Document Information System, the system-wide tracking tool on performance indicators, outputs and results. UN-Habitat has also instituted fields for collecting and storing performance evidence in the Project Accrual and Accountability System. While requesting performance information for the 2013 annual progress report from heads of branches, regional and other offices, the Operations Division offered guidelines on how to provide robust evidence to support reported achievements and also held briefing sessions to highlight that requirement. UN-Habitat has already started collecting evidence and adding it to the Integrated Monitoring and Document Information System as well as collating others in a file.

Department responsible:	Operations Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

559. **In paragraph 77, UN-Habitat agreed with the Board's recommendation that its Senior Management Committee regularly review, at least every six months, performance and progress against the biennial work programme and budget, documenting its review and the actions to be taken.**

560. Senior management is reviewing the performance and progress against the UN-Habitat biennial work programme and budget. Formal minutes of the meetings are now taken to support and demonstrate the review process and follow-up actions taken, as deemed necessary.

Department responsible:	Office of the Executive Director
Status:	Implemented
Priority:	High
Target date:	Not applicable

XIII. United Nations Office on Drugs and Crime

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2013[31]

561. The status of implementation of the main recommendations as at August 2014 is summarized in table 34.

[31] A/69/5/Add.10, chap. II.

Table 34
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division for Management	4	–	4	4	–
Division for Management and Division for Operations	3	–	3	3	–
Multiple Offices	3	–	3	3	–
Total	**10**	**–**	**10**	**10**	**–**
Percentage	**100**	**–**	**100**		

562. The status of implementation of all recommendations as at August 2014 is summarized in table 35.

Table 35
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division for Management	11	–	11	11	–
Multiple Offices	9	1	8	7	1
Division for Management and Division for Operations	3	–	3	3	–
Total	**23**	**1**	**22**	**21**	**1**
Percentage	**100**	**4**	**96**		

563. **In paragraph 20, the United Nations Office on Drugs and Crime (UNODC) agreed with the Board's recommendation that any system enhancements be coordinated to benefit both the immediate user and the corporate need.**

564. With the upcoming implementation of Umoja in UNODC, the governance process of the information technology enhancements will be strengthened and will be tagged to the Umoja releases (extensions) and scope thereof. UNODC is already working closely with the Umoja team to deal with any process and reporting gaps.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

565. **In paragraph 23, UNODC agreed with the Board's recommendation that it broaden the field office reports to include other areas, such as non-expendable property.**

566. In the light of the upcoming implementation of Umoja, any changes will be analysed and assessed on a cost-benefit basis.

Department responsible:	Division for Operations and Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

567. **In paragraph 26, UNODC agreed with the Board's recommendation that it strengthen its quarterly review activity so that validity and accuracy of unliquidated obligations are assured, and consider increasing guidance and oversight in this area to better ensure commitments are updated timeously.**

568. To strengthen the review of unliquidated obligations, UNODC will increase guidance to all staff through special messages and targeted messages to Divisional focal points. UNODC will also enhance its monitoring and oversight systems and mechanisms.

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

569. **In paragraph 30, UNODC agreed with the Board's recommendation that its field offices update fixed asset registers promptly for additions, disposals and any transfers required when project assets are completed or handed over.**

570. Field offices are required to maintain updated fixed asset registers. Subject to additional funding being made available and to the implementation of Umoja, UNODC headquarters will provide assistance to field offices to ensure that asset registers are updated.

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

571. **In paragraph 34, UNODC agreed with the Board's recommendation that it develop solutions for IPSAS implementation and embed timely data entry and validation requirements into the business as a matter of urgency.**

572. UNODC has implemented system changes to improve data entry and validation and will continue monitoring the need for further enhancements.

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

573. **In paragraph 38, UNODC agreed with the Board's recommendation that, by July 2014, it finalize its organizational risk register by prioritizing the risks and identifying mitigating actions. The register should be reviewed regularly by the senior management team of UNODC, and action taken to mitigate any risks that arise.**

574. In July 2014, in line with the Secretariat's enterprise risk management initiative, UNODC launched a corporate risk register which was endorsed by its Executive Committee. The Committee also endorsed a risk management governance structure and monitoring mechanism.

Department responsible:	Office of the Executive Director; Division for Management; Division for Treaty Affairs; Division for Operations; and Division for Policy Analysis and Public Affairs
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

575. **In paragraph 40, UNODC agreed with the Board's recommendation that it establish a reliable means of extracting information on the number of live projects it is managing, and on the associated budgets and expenditure for each project.**

576. UNODC project reports and the project portfolio already have the required data on live projects. Such data include associated budgets and expenditures for these projects. However, the extraction parameters will be reassessed and the underlying data will be revalidated to ensure that the extraction routines provide the expected results.

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

577. **In paragraph 45, UNODC agreed with the Board's recommendation that, where a project revision document proposes an increase in the budget or duration of the project, UNODC project managers specify clearly and succinctly in the document the additional outcomes to be achieved as a result of the increase.**

578. **In paragraph 46, UNODC also agreed with the Board's recommendation that, on a regular basis, it analyse the reasons for project revisions and**

extensions in order to assess whether the current project-based approach is the most efficient way to secure funding to deliver its outcomes and to determine the scope to improve project planning.

579. With regard to the recommendations in paragraphs 45 and 46 above, it should be noted that the project revision template includes a specific section requiring project managers to specify the outcomes that have been added and/or changed through the revision. A desk-to-desk message was issued in March 2014 to enforce the requirement and UNODC is monitoring progress.

Department responsible:	Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

580. **In paragraph 48, UNODC agreed with the Board's recommendation that it secure clear commitment to project objectives from beneficiary countries before implementing projects and proceed with projects only where formal agreements are in place.**

581. For field-based projects, commitment to the project objective is ensured through technical consultations and formal signature by the host country. In the case of the regional programmes, partner countries of the region participate actively in the design of the regional programmes through regional expert meetings and a final ad-hoc ministerial or high-level regional meeting endorsing the programmes. That is a key requirement for securing the commitment of the partner countries to the implementation of the regional programmes.

Department responsible:	Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

582. **In paragraph 53, UNODC agreed with the Board's recommendation that, for projects undertaken jointly with other United Nations agencies, it establish, at the planning stage, whether there are any activities that might be undertaken unilaterally and plan for them accordingly.**

Department responsible:	Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Ongoing

583. **In paragraph 57, UNODC agreed with the Board's recommendation that its divisional directors take corrective action where project managers fail to upload progress reports to ProFi within one month of the end of the period to which they relate, in order to give management and stakeholders clear sight of project progress and the opportunity to address on a timely basis any problems with delivery.**

Department responsible:	Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

584. **In paragraph 58, UNODC also agreed with the Board's recommendation that it review current reporting requirements, both for internal purposes and for donors, to determine whether there is a more economical way to carry out such reporting, for example, by streamlining or rationalizing reporting requirements or by minimizing the input required by project staff.**

585. UNODC is currently undertaking a review of its reporting requirements to look at ways to streamline them further, and especially to explore whether multiple donor-specific requirements can be accommodated within a single reporting structure.

Department responsible:	Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

586. **In paragraph 60, UNODC agreed with the Board's recommendation that it require divisional directors to take corrective action in cases where field representatives fail to submit annual programme performance reviews for regional and country programmes to the Programme Review Committee of UNODC, so that progress is subject to challenge. The Programme Review Committee should report all instances of non-compliance to the Executive Director and the relevant Divisional Director.**

587. The Programme Review Committee of UNODC is currently considering the scheduling of programme reviews in order to, inter alia, achieve greater compliance with its reporting requirements.

Department responsible:	Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

588. **In paragraph 64, UNODC agreed with the Board's recommendation that it produce, by October 2014, a complete and accurate picture of spend with and through external parties, to determine where additional support, resources or compliance scrutiny might be required to assure UNODC that its capacity for managing relationships with external parties is adequate. UNODC should update and review this information on a regular basis, ideally quarterly and at least annually.**

589. UNODC notes that currently all spend using implementing partners as external parties is reported though the use of separate segments within projects where implementing partners are given allocation under implementing partner agreements. Spend using grantees as external parties are reported under the grants expenditure line. Spend under procurement actions for external parties are reported under the direct expense line for the goods or services being procured. To ensure better monitoring of spend with external parties, the new Framework on Engagement with External Parties (FEEP) focuses on monitoring and contract management, including reporting centrally on the engagements concluded in field offices using UNDP as a solicitation service provider.

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

590. **In paragraph 70, UNODC accepted the Board's recommendation that it assess, as part of the selection process, the suitability and capability of external parties and document and maintain a record of the processes used.**

591. The introduction of the new FEEP has formalized the selection process for implementing partners as external parties, including capacity assessments of potential partners before concluding selection and contractual arrangements. Any further improvements in FEEP will be reviewed within the first year of its operation with resulting refinements implemented through future FEEP releases.

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

592. **In paragraph 72, UNODC agreed with the Board's recommendation that it specify monitoring arrangements as part of the funding agreement for all parties to which it provides funds.**

593. UNODC's comments are reflected in paragraphs 73 and 74 of the Board's report (A/69/5/Add.10).

Department responsible:	Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

594. **In paragraph 75, UNODC agreed with the Board's recommendation that it enhance its framework on the engagement of external parties.**

595. UNODC wishes to point out that the suggested enhancements already exist and form part of the new FEEP and released manuals. Any further improvements in FEEP will be reviewed within the first year of its operation with resulting refinements implemented through future FEEP releases. In line with the objective to clarify elements of FEEP, urgent needs for clarification and changes to the released policies will be tackled through the publication of responses to frequently asked questions.

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

596. **In paragraph 77, UNODC agreed with the Board's recommendation that it, in particular its Division for Operations, monitor compliance with the framework for the engagement of external parties and, by July 2015, analyse whether its introduction has resulted in any significant changes in the pace or scope of project delivery.**

597. UNODC intends to perform a post-implementation review of FEEP once the External Party Engagement Unit of the Division for Management is fully resourced. The Division for Management will work together with the Division of Operations to assess the performance of FEEP.

Department responsible:	Division for Management and Division for Operations
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

598. **In paragraph 81, UNODC agreed with the Board's recommendation that it require the Financial Resources Management Service, the Procurement Section and the Division for Operations to establish the means to gather and analyse on a regular basis complete and reliable data on the volume and value of field office procurement in order to determine where additional support, resources or compliance scrutiny might be required to assure UNODC that its procurement capacity is adequate.**

599. The Procurement Unit has developed the UNODC field office procurement report. Concerned offices will liaise with each other to ensure that procurement capacity is optimal in the field. Additional monitoring and support requirements will also be assessed centrally through the budget mechanism.

Department responsible:	Division for Operations and Division for Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

600. **In paragraph 82, UNODC also agreed with the Board's recommendation that it identify a means to secure assurance that field office procurement is being undertaken in accordance with the procurement rules of UNODC and the United Nations Office at Vienna.**

601. The United Nations Office at Vienna and the UNODC Procurement Unit will participate in future interdivisional teams to undertake assessment and obtain assurance that field offices comply with procurement rules. Ad hoc review and assessment missions will also be conducted. The UNODC Procurement Unit will also review field office acquisition plans and the corresponding actions taken thereon.

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

602. **In paragraph 85, UNODC agreed with the Board's recommendation that it determine if, as a result of inadequate staffing, any field offices are not applying an appropriate separation of duties, in line with good procurement practice.**

603. To ensure appropriate segregation of duties and to mitigate any conflict of interests, UNODC will conduct an analysis of all field offices with delegated procurement authority.

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

604. **In paragraph 87, UNODC agreed with the Board's recommendation that field offices work with UNODC headquarters to develop and maintain a formal record of vendor performance that can be easily drawn on in future procurement exercises.**

605. UNODC will generate formal records of vendor performance for field offices.

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

606. In annex I to its report for the biennium ended 31 December 2013 (A/69/5/Add.10, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2014 regarding the 12 recommendations assessed either as "partially implemented" or "not implemented" by the Board is summarized in table 36. The information on prior recommendations is set out in the order in which they are presented in annex I of the Board's report.

Table 36
Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the biennium ended 31 December 2013

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Multiple Offices	6	2	4	4	–
Office of the Executive Director	2	1	1	1	–
Division for Policy Analysis and Public Affairs	2	–	2	2	–
Division for Operations	1	1	–	–	–
Division for Management	1	1	–	–	–
Total	**12**	**5**	**7**	**7**	**–**
Percentage	**100**	**42**	**58**		

Report of the Board for the biennium ended 31 December 2011[32]

607. **In paragraph 29, UNODC agreed with the Board's recommendation to implement a consistent organizational approach to risk management planning.**

[32] A/67/5/Add.9, chap. II.

608. Please refer to the comments of UNODC in paragraph 574 above relating to the recommendation in paragraph 38 of the Board's report for the biennium ended 31 December 2013.

Department responsible:	Division for Operations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

609. **In paragraph 38, UNODC agreed with the Board's recommendation that it account for donations consistently and in accordance with United Nations regulations and rules, and that any deviations from the regulations be properly recorded and justified at the point of receipt of the pledge.**

610. The UNODC Programme and Operations Manual update has been drafted to state that legal clearance is not required for contracts with standard terms and conditions. The updated version will be published upon review and clearance by the Legal Officer.

Department responsible:	Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

611. **In paragraph 39, UNODC also agreed with the Board's recommendation that it circulate, to all staff, improved guidance and instructions on income, including the clearance process, to remind them of the criterion for recognizing income.**

612. Please refer to the comments of UNODC in paragraph 610 above relating to the recommendation in paragraph 38 of the Board's report for the biennium ended 31 December 2011.

Department responsible:	Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

613. **In paragraph 72, UNODC agreed with the Board's recommendation that it: (a) discuss with United Nations Headquarters whether adequate resource allocations and funding will be made available to UNODC; and (b) revise its local IPSAS implementation plan in the light of progress to date.**

614. IPSAS resources have been provided to UNODC.

Department responsible:	Division for Management
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

615. **In paragraph 79, UNODC agreed with the Board's recommendation that, when each strategic document is updated, it clearly align: (a) the aims and objectives set out in the documents; and (b) the timing of preparation of future strategies and supporting documents, including the thematic programmes.**

616. UNODC has achieved a much greater degree of alignment in the standard indicators for the different thematic programmes and will review such indicators to address any other gaps.

Department responsible:	Division for Policy Analysis and Public Affairs; Division for Treaty Affairs; and Division for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

617. **In paragraph 87, the Board recommended that, when updating each of its regional programmes, UNODC: (a) specify a realistic and achievable set of priorities for the period of each programme; (b) establish robust, realistic and measurable performance indicators; (c) identify a manageable number of key performance indicators balanced between outcome and output indicators; and (d) clearly link individual project performance indicators to the indicators set out in its strategic framework so as to allow the aggregation of the indicators and provide senior management with a clear assessment of progress against its strategic objectives.**

618. UNODC has developed standard indicators for all thematic areas covered by its country and regional programmes. Those programmes now contain a small and measurable number of indicators that have been set by the thematic branches. Support will continue to be provided to the field offices in the review and updating of the regional programme results frameworks.

Department responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	Implemented
Priority:	High
Target date:	Not applicable

619. **In paragraph 90, UNODC agreed with the Board's recommendation that it establish, by December 2012, a mechanism for reporting, both internally and to external stakeholders, progress on the implementation of the regional programmes.**

620. UNODC has developed annual programme performance review documents for country and regional programmes. Procedures are now in place for their review by the Programme Review Committee and subsequent presentation to Member States at the Intergovernmental Working Group on Governance and Finance.

Department responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	Implemented
Priority:	High
Target date:	Not applicable

621. **In paragraph 93, UNODC agreed with the Board's recommendation that, by September 2012, all new project proposals: (a) clearly and succinctly define the problem that the project is intended to address; (b) establish a clear baseline against which to assess delivery, or provide a clear explanation of how the baseline will be established; and (c) identify and document the material risks and mitigating actions, including setting aside an element of contingency within project budgets, to address unknown risks.**

622. UNODC will review the feasibility of setting aside contingency funds in project budgets.

Department responsible:	Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

623. **In paragraph 96, the Board recommended that UNODC: (a) capture summary progress information on projects and programmes against milestones agreed at the beginning of the project or programme as part of its central monitoring process; and (b) monitor spending against a realistic forward profile of expected expenditure.**

624. The revised template for reporting on global programmes has been drafted and the modalities for reporting to senior management and Member States are being finalized.

Department responsible:	Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

625. **In paragraph 100, UNODC agreed with the Board's recommendation that, by mid-2012, it: (a) coordinate the computer application improvement projects being undertaken by the Finance Section, the Strategic Planning Unit and the Independent Evaluation Unit; and (b) implement the changes necessary to address the performance reporting limitations in its information technology systems, taking account of current developments in those sections and of the dashboard tool of the Regional Centre for East Asia and the Pacific and the management reporting system of the Country Office for Pakistan.**

626. Following discussions with heads of services in UNODC, the Board modified its recommendation to: "The Board recommends that UNODC establish a steering group, with one representative from each Division and the Information Technology Service, to prioritize system enhancements and coordinate input to the development and implementation of system enhancements from each of its divisions."

627. On the basis of the revised recommendation, UNODC will establish a cross-divisional team to coordinate and implement the information technology improvement projects in line with the Secretariat-wide information and communications technology strategy and governance policy. In the meantime, UNODC continues to use regular face-to-face meetings and information technology tools to coordinate the delivery in that information technology area, working very closely with subject owners on the various requirements for the development of new features and the maintenance of existing systems features.

Department responsible:	Division for Management; Division for Operations; Division for Treaty Affairs; and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

628. **In paragraph 105, the Board recommended that UNODC: (a) establish a detailed methodology for evaluating the regional programme for East Asia and the Pacific; (b) use the experience to inform the methodology for the remaining regional programmes; and (c) complete the evaluations in time to inform future regional programme development.**

629. The evaluation of the regional programme for East Asia and the Pacific has been completed and was presented to the Intergovernmental Working Group on Governance and Finance.

Department responsible:	Office of the Executive Director
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

630. **In paragraph 111, the Board recommended that UNODC: (a) determine how best to regularly collate and analyse project evaluation reports in order to identify and disseminate lessons or recurring problems; (b) allocate responsibility**

for implementing any necessary improvements to the relevant sections; and (c) determine the most effective and efficient way to coordinate and manage budgets for evaluations.

631. UNODC is currently preparing a meta-analysis of the findings, recommendations and lessons learned based on all project and in-depth evaluations conducted from 2011 to 2013, which is expected to be finalized by December 2014. For all evaluations, a follow-up plan is prepared and responsibilities are allocated accordingly. The Independent Evaluation Unit of UNODC ensures the allocation of necessary provisions for evaluations of projects and programmes.

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

XIV. United Nations Office for Project Services

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2013[33]

632. The status of implementation of the main recommendations as at August 2014 is summarized in table 37.

Table 37
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Finance Practice Group	3	1	2	1	1
Sustainable Procurement Practice Group	2	–	2	2	–
Finance Practice Group and Corporate Support Group	1	–	1	1	–
Total	**6**	**1**	**5**	**4**	**1**
Percentage	**100**	**17**	**83**		

633. The status of implementation of all recommendations as at August 2014 is summarized in table 38.

[33] A/69/5/Add.11, chap. II.

Table 38
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Sustainable Procurement Practice Group	9	–	9	9	–
Finance Practice Group	5	2	3	2	1
Finance Practice Group and Corporate Support Group	1	–	1	1	–
Internal Audit and Investigation Group	1	–	1	1	–
Total	**16**	**2**	**14**	**13**	**1**
Percentage	**100**	**13**	**87**		

634. **In paragraph 9, with a view to supporting enhanced accountability and informed decision-making, the Board recommended that the United Nations Office for Project Services (UNOPS) prepare reports on financial, performance and risk management that include a full analysis and explanation of significant variances.**

635. The 2014 midyear review of the global portfolio and regional performance was integrated with the quarterly assurance and business planning processes. The purpose was to establish a clear link from project to corporate performance, while optimizing the use of corporate tools and systems and improving the ability of UNOPS to manage performance and risks. Analysis, informed by reports from the Management Workspace, and explanation of significant variance was made relevant at each level of the integrated review process. From the extensive review process, key aspects of risk and performance were highlighted and eventually discussed in the meetings between the regional and global portfolio managers and the Deputy Executive Director that concluded the midyear review process. Decisions from those meetings, including responses to risks and performance issues, were recorded and shared with the meeting participants.

Department responsible: Finance Practice Group

Status: Implemented

Priority: High

Target date: Not applicable

636. **In paragraph 12, in developing the new enterprise resource planning solution, the Board recommended that UNOPS critically review its accrual accounting treatment and closure procedures to ensure that financial information is available in real time in the management workspace system. In the meantime, the Board recommended that UNOPS continue to enhance the system so that it meets the needs of country offices.**

637. UNOPS has since revised its closure procedures to permit monthly closure. The implementation of the new enterprise resource planning system will address the low degree of coherence between UNOPS business processes and the enterprise resource planning system, which necessitated several complexities to be built within

the reporting systems, such as simulation of accrual for open periods. The formation of the Business Innovation and Improvement Programme will facilitate the receipt of functional requirements from the process coordinators and business analysts within the programme, which will enable further improvements to the management workspace system in line with the needs of country offices.

Department responsible:	Finance Practice Group and Corporate Support Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

638. **In paragraph 14, the Board recommended that UNOPS develop a more realistic delivery forecast based on historical trends and known factors, such as seasonal variations, to support more effective management of delivery during the year.**

639. The management workspace system already provides automated delivery forecasts based on business logic and historical trends in terms of delivery throughout the year. Supplementing the automated forecasts, the business planning tool is used to create bottom-up annual and year-end projections both in the context of the business planning and of the midyear review processes.

Department responsible:	Finance Practice Group
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

640. **In paragraph 21, the Board recommended that UNOPS review its operational reserves policy and establish, with the approval of its Executive Board, plans for the use of surplus reserve balances.**

641. UNOPS is looking to utilize a portion of the reserves to fund investment projects that support the goals of the organization. The identification of such projects is an ongoing process and investments will be made as they are identified. It should be noted that the formula for calculating the operational reserve is barely a year old and so launching a review at this stage would be premature. It should further be noted that the reserve calculation identifies a minimum threshold below which it would be operationally and financially risky for UNOPS to go.

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Ongoing

642. **In paragraph 26, in developing the new enterprise resource planning solution, the Board recommended that UNOPS take the opportunity to ensure that the full cost of projects can be tracked, including any costs charged to management expenses. UNOPS should regularly review this information to ensure that project recovery rates remain acceptable.**

643. Following the implementation of the new pricing policy in 2013, a mechanism has been developed that will track cost recovery in comparison to the minimum pricing requirement. That mechanism will enable financial adjustments as a result of pricing both above and below the minimum requirement. The first adjustment entries are due to be posted in the financial systems by the end of 2014.

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

644. **In paragraph 34, the Board recommended that practical steps be taken to implement enterprise risk management strategies, policies and procedures across the entity without further delay. Specifically, UNOPS should: (a) identify, document and assess key risks to achieving strategic objectives; (b) regularly update and monitor risk information that can be aggregated at the entity level; (c) document risk tolerances so that they are understood and applied throughout the organization; (d) use risk registers to record the likelihood of a risk materializing, the impact of the risk, the proposed mitigating actions and the assessed level of risk post-mitigation; and (e) assign risk owners to take responsibility for monitoring and controlling each risk.**

645. By March 2015, UNOPS should be able to revise its risk management framework clarifying the roles and responsibilities its workforce has for risks at the governance, country specific, programme and operational levels. In accordance with ISO 31000, the focus of UNOPS is to manage risk in decision-making processes, so as to address both threats and opportunities and ensure the organization achieves its goals and objectives. As part of that process, UNOPS will continue to introduce and establish suitable risk tolerance thresholds and escalation procedures and enhance cross-organizational communication on risk. Beginning in 2015, UNOPS will include a review of risk management in its quarterly assurance process, including a summary of aggregate risks.

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

646. **In paragraph 45, the Board recommended that UNOPS strengthen its performance information, including by reference to what metrics are used by other United Nations entities. In particular, it should: (a) examine the scope for a metric for price and cost competitiveness, based on prices actually paid;**

(b) review the suitability of the scorecard measures and annual targets and how they can be widened in the future to cover all UNOPS procurement; and (c) include only those measures that can be measured, with clear time frames for targets that are stretching yet achievable.

647. UNOPS plans to undertake sound analysis to evaluate if and how this recommendation can be implemented, with due consideration for the fact that the markets in which UNOPS operates often make price benchmarks difficult. Further, since procurement is decentralized in UNOPS, relevant benchmarks will likely have to be inserted into the regional scorecards, and the Sustainable Procurement Practice Group will lobby for such inclusion. UNOPS also commits to reviewing and revising the existing Sustainable Procurement Practice Group's scorecard to reflect clear timeframes and measurable indicators.

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

648. **In paragraph 52, the Board recommended that UNOPS establish ways in which the Sustainable Procurement Practice Group can engage more effectively in the development of local procurement strategies.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

649. **In paragraph 56, the Board recommended that, in order to maximize the benefits resulting from long-term agreements, UNOPS headquarters work with country offices using aggregated information to identify where regional and global long-term agreements would be mutually beneficial, such as for medical equipment and supplies.**

650. UNOPS has already gathered data on available long-term agreements and has started to collate the required spend information, and is drawing up a prioritized plan for the establishment of new long-term agreements.

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

651. **In paragraph 57, the Board also recommended that, in order to improve the use of and benefits resulting from long-term agreements, UNOPS collate information on the existence and usage of local and regional long-term agreements available for its use.**

652. UNOPS has already gathered data on available long-term agreements, and has started to collate the required spend information to be used for devising a strategy that ensures improved realization of benefits from the use of the long-term agreements.

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

653. **In paragraph 61, the Board recommended that UNOPS: (a) use the results of its skills definition and mapping exercise to set out the desired level of training and qualifications for specific procurement roles in UNOPS and identify areas of shortage; and (b) make the sustainable procurement online training course mandatory for all procurement staff within a specified time frame.**

654. UNOPS has launched the development of a procurement training strategy. The Sustainable Procurement Practice Group will discuss with the regional offices ways to make the sustainable procurement online training course mandatory for all procurement practitioners.

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

655. **In paragraph 65, the Board recommended that UNOPS develop a way of monitoring the length of the procurement process, either through the e-procurement or enterprise resource planning systems that are under development and being introduced in 2015 or by distributing a template for capturing procurement information from all centres.**

656. UNOPS intends to implement the recommendation as part of its ongoing e-Procurement project.

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

657. **In paragraph 70, the Board recommended that UNOPS determine whether lessons from the UNOPS Ethiopia project centre's successful use of UNWebBuy could be applied in other countries in order to promote the catalogue.**

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

658. **In paragraph 75, the Board recommended that the UNOPS Internal Audit and Investigations Group, in setting its work programme for 2015, and on the basis of the results of the fraud risk assessment undertaken in 2014, consider carrying out specific audit work to examine controls covering the risk of fraud in procurement.**

659. As part of the implementation of a new enterprise resource planning system, UNOPS is undertaking a process of mapping and documenting all of its key processes. As part of the exercise, the Senior Risk Officer will work with the respective practices and identify the underlying risks associated with the processes and controls in place. The exercise will be concluded by producing an overall report summarizing the susceptibility of UNOPS processes, including procurement, to fraud, by 30 June 2015. On the basis of the results, the Internal Audit and Investigation Group will then follow up according to its own risk-based planning approach.

Department responsible:	Internal Audit and Investigation Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

660. **In paragraph 80, the Board recommended that UNOPS carry out structured and regular benchmarking exercises, where feasible, of the prices that it obtains. UNOPS should also obtain feedback specific to procurement from its partners.**

661. The markets in which UNOPS operates often make price benchmarking difficult. The Sustainable Procurement Practice Group will include specific questions on UNOPS procurement services in future partner surveys.

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

662. **In paragraph 82, the Board recommended that UNOPS take action to strengthen local capacity-building. This could involve sharing good practices such as procedures to reduce non-compliance in tendering.**

663. UNOPS plans to implement this recommendation through increased knowledge-sharing, newsletters, face-to-face interventions, online webinars and other measures.

Department responsible:	Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

664. In annex II to its report for the year ended 31 December 2013 (A/69/5/Add.11, chap. II) the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2014 regarding the 17 recommendations assessed either as "under implementation" or "not implemented" by the Board is summarized in table 39. The information on prior recommendations is set out in the order in which they are presented in annex II to the Board's report.

Table 39
Status of implementation of recommendations from prior periods considered not fully implemented in annex II to the report of the Board of Auditors for the year ended 31 December 2013

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Sustainable Project Management Practice Group	9	1	8	8	–
Sustainable Infrastructure Practice Group	3	1	2	2	–
Finance Practice Group	3	–	3	3	–
Corporate Support Group	1	–	1	1	–
People and Change Practice Group and Sustainable Procurement Practice Group	1	–	1	1	–
Total	**17**	**2**	**15**	**15**	**–**
Percentage	**100**	**12**	**88**		

Report of the Board for the biennium ended 31 December 2011[34]

665. **In paragraph 48, the Board reiterated its previous recommendation that UNOPS: (a) draw lessons from its existing projects and consider measures to enable it to close projects in time; and (b) address the backlog of projects that need closure.**

666. A quarterly assurance review allows UNOPS to better track the status of projects, including the documentation of projects needing closure. UNOPS established an online "project closure tool" to help field offices to track projects and facilitate a smooth closure process. Further progress has been made in reducing the backlog.

[34] A/67/5/Add.10, chap. II.

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

667. **In paragraph 53, the Board recommended that UNOPS strengthen its oversight role over the Democratic Republic of the Congo Operations Centre in order to address the operational challenges affecting its projects in a timely manner.**

668. Two "maturity assessment missions" were undertaken in July and August 2013 to the Operations Centre with the aim of assessing: management controls, benefits management, financial management, stakeholder management, risk management, organizational governance and resource management. A follow-up mission was conducted from 7 to 11 July 2014, during which the Sustainable Project Management Practice Group participated with the Operations Centre team on engagement assurance and provided training on project planning, risk management and project management tools.

Department responsible:	Sustainable Project Management Practice Group
Status:	Implemented
Priority:	High
Target date:	Not applicable

669. **In paragraph 54, the Board also recommended that UNOPS consider the adequacy of its oversight of and the support provided to centres operating in high-risk environments.**

670. UNOPS is addressing this issue on two fronts: risks in the country of operation, and projects and programme risks. UNOPS planned seven "maturity missions" to support centres operating in high-risk environments. The three missions that were completed in 2013 allowed a better understanding of the challenges faced by the centres and the development of targeted improvements. UNOPS plans to expand the "maturity missions" to support other centres and assess progress in those already assessed. Development of risk guidance for projects is being finalized and will be released and piloted before the end of 2014, while work is in progress to develop risk guidance at the programme level, which will promote proactive risk management by the use of standard processes, templates and guidance.

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

671. **In paragraph 107, UNOPS agreed with the Board's recommendation that it: (a) address the discrepancies in its asset registers to ensure it is able to accurately account for its asset inventory and prepare accurate opening balances for IPSAS purposes; and (b) address the inconsistencies in the asset inventory certification process.**

672. The inconsistency from 2008 stems from the asset management procedures governing UNOPS assets under the United Nations System Accounting Standards' reporting, hence it occurred prior to the preparatory system configuration leading up to the adoption of IPSAS. Since January 2012, UNOPS has implemented a number of changes to ensure that asset records are complete and accurate, such as: (a) an automated interface between the procurement and the asset modules; (b) regular reviews of expenditure to identify and rectify errors (if any); (c) strengthened year end physical verification and certification exercises; (d) incorporating asset management audits into internal audit field visits; and (e) delivering a series of face-to-face trainings to asset focal points in field offices.

673. UNOPS will also perform the following before the end of 2014: (a) prepare online training materials; (b) launch an online asset change request tool; (c) issue a revised administrative instruction on asset management; and (d) complete the IPSAS opening balances.

Department responsible:	Corporate Support Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

Report of the Board for the biennium ended 31 December 2009[35]

674. **In paragraph 178, UNOPS agreed with the Board's reiterated recommendation that the Peru Operations Centre should analyse all currently listed projects and identify projects that need to be closed.**

675. Please refer to the response of UNOPS in paragraph 666 above relating to the recommendation in paragraph 48 of the Board's report for the biennium ended 31 December 2011.

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

Report of the Board for the year ended 31 December 2012[36]

676. **In paragraph 24, the Board recommended that UNOPS: (a) clearly identify the envisaged benefits from accrual-based information and associated revised management procedures; and (b) appoint a senior responsible owner**

[35] A/65/5/Add.10, chap. II.
[36] A/68/5/Add.10, chap. II.

for realizing such benefits and embedding new ways of working throughout the organization.

677. Preliminary work on implementing the recommendation was initiated during the second half of 2013 and systems and tools providing management information were already modified to reflect accrual-based information. UNOPS plans to incorporate the second part of the recommendation in the designing and configuration of the new enterprise resource planning system that will be implemented in 2015.

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

678. **In paragraph 31, the Board recommended that UNOPS establish a separate reserve account for after-service benefits in order to increase the visibility of funding provided for end-of-service liabilities.**

679. UNOPS has earmarked in its portfolio the investments that relate to the funds relating to end-of-service liabilities. An external service provider has been identified to manage the investment of funds relating to after-service health insurance liabilities and the related agreement is currently being finalized. The service provider is expected to commence administration of the funds during the second half of 2014.

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

680. **In paragraph 44, UNOPS agreed with the Board's recommendation that it: (a) appoint a fraud risk owner, or senior risk officer, at a suitably senior level, to be accountable for the active management of fraud risks throughout UNOPS activities; (b) perform a comprehensive organization-wide fraud risk assessment to identify the major types of fraud risk that UNOPS faces; and (c) define UNOPS tolerance to various types of fraud risk and ensure that fraud controls are commensurate with that risk appetite.**

681. UNOPS appointed a Senior Risk Officer to coordinate the management of risks in March 2014. As explained in the management comments in paragraph 659 above relating to the recommendation in paragraph 75 of the Board's report for the year ended 31 December 2013, in conjunction with implementing a new enterprise resource planning system, UNOPS will map its key processes and identify key controls and the risks associated, so as to summarize its susceptibility to fraud. The accountability framework will be further strengthened after UNOPS updates its policies and procedures on internal controls and risk management thresholds.

Department responsible:	Finance Practice Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

682. **In paragraph 51, the Board recommended that UNOPS examine the costs and benefits of performing mandatory background checks on all new recruits, vendors and other partners or contractors.**

683. The Sustainable Procurement Practice Group has fully implemented the recommendation and the People and Change Practice Group has already commenced undertaking background checks and has developed a draft policy to support the full roll-out of mandatory background checks by the end of 2014.

Department responsible:	People and Change Practice Group and Sustainable Procurement Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

684. **In paragraph 62, UNOPS agreed with the Board's recommendation that it give careful consideration to ensuring that the new infrastructure strategy is understood by all infrastructure staff.**

685. Results of the 2012 global survey showed that 39 per cent of infrastructure practitioners were familiar with the UNOPS strategic plan. In 2013 the number had risen to 42 per cent. That was the result of additional training that was started in September 2013. In addition, the infrastructure strategy was embedded in the Sustainable Infrastructure Practice Group's products and processes introduced in 2014, such as the design manual and design review.

Department responsible:	Sustainable Infrastructure Practice Group
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

686. **In paragraph 67, UNOPS agreed with the Board's recommendation that it examine the extent of changes to agreements and the causes of delays in the completion of projects throughout its infrastructure portfolio.**

687. The contracts management system has been developed and piloted. Implementation will be completed after changes related to the new enterprise resource planning system have been accounted for.

Department responsible:	Sustainable Infrastructure Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

688. **In paragraph 76, UNOPS agreed with the Board's recommendation that its clients be encouraged to accept the inclusion of contingency budgets for projects, which might necessitate a corresponding reduction in other components of the budget, in addition to processes for releasing contingency that are acceptable to clients.**

689. A project-level budgeting toolkit was released in July 2013 to provide guidance on how to build, communicate and monitor project budgets. The guidance also discusses the use of contingency budgets. The full implementation of the toolkit will be demonstrated through recent projects.

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

690. **In paragraph 77, UNOPS also agreed with the Board's recommendation that it investigate the extent and causes of precision spending, and assess whether its processes or guidance need to change as a result.**

691. Analyses of recently closed projects have been carried out but conclusive results have not been attained yet. The timeline for implementation has been extended to the end of 2014 because the analyses undertaken by UNOPS staff have indicated significant variations from the analyses presented by the Board of Auditors and, therefore, verification of the data will be necessary to ensure that UNOPS has accurately dealt with the recommendation.

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

692. **In paragraph 82, UNOPS agreed with the Board's recommendation to develop a mechanism to generate better information on the post-completion performance of buildings.**

693. The potential for post-occupation evaluation was researched and a strategy paper was developed. The development of the administration process, its piloting and full implementation will require more time than initially estimated.

Department responsible:	Sustainable Infrastructure Practice Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

694. **In paragraph 85, UNOPS agreed with the Board's recommendation that it develop a strategy to encourage clients to engage more with the partner centre, including providing feedback.**

695. UNOPS will devise a strategy to further engage clients through the partner centre. Currently UNOPS is using the project management foundation course to promote the use of the partner centre and provide advice to attendees on how to engage clients via the partner centre. A series of communication releases are planned to advise operations centres on the availability of the partner centre. A fresh rollout of the partner centre tool will include instructions, guidance, training and WebEx sessions about the tool, as well as encouraging project managers to invite partners to use the tool as part of the Sustainable Project Management Practice Group's workplan for 2014. That exercise will be followed up closely with each operations centre on a regular basis.

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

696. **In paragraph 90, UNOPS agreed with the Board's recommendation that it work with its partners to establish processes to better capture information on the outcomes to which UNOPS activities contribute, in particular in terms of project beneficiaries.**

697. The UNOPS strategic plan for 2014-2017 focuses on sustainability and national capacity in an effort to contribute to partners' results and their achievement of development outcomes. UNOPS launched a sustainability programme in early 2013 to embed sustainability principles, including the focus on outcomes. A strategy for mainstreaming sustainability was released and several orientation workshops have been conducted for the headquarters and operation centres. UNOPS now collects sustainability performance information at the project level for its annual results-based reporting process. Furthermore, UNOPS has developed a screening tool, the "Sustainability Marker" for project assessment, monitoring and reporting, which was piloted in 2013 and is undergoing further testing in 2014 before its full roll-out. UNOPS has so far conducted more than eight missions for the presentation of the Sustainability Marker, with a plan to cover more offices before the end of 2014.

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

698. **In paragraph 92, UNOPS agreed with the Board's recommendation that it either enhance the online assurance tool to enable drilling down to project-level assurance where an engagement includes multiple large projects or set up more of its engagements as single projects.**

699. During 2013, the Sustainable Project Management Practice Group worked on revamping the engagement assurance and an operation centre assurance process with the inclusion of all six project success criteria. The tool is being reviewed in the light of the recommendation and for other necessary improvements.

Department responsible:	Sustainable Project Management Practice Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

XV. United Nations Entity for Gender Equality and the Empowerment of Women

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2013[37]

700. The status of implementation of the main recommendations as at August 2014 is summarized in table 40.

Table 40
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Management and Administration	4	–	4	4	–
Division of Management and Administration and Programme Support Division	1	–	1	1	–
Total	**5**	**–**	**5**	**5**	**–**
Percentage	**100**	**–**	**100**		

[37] A/69/5/Add.12, chap. II.

701. The status of implementation of all recommendations as at August 2014 is summarized in table 41.

Table 41
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Management and Administration	8	–	8	8	–
Programme Support Division	2	1	1	1	–
Strategic Partnership Division	1	–	1	1	–
Division of Management and Administration, and Programme Support Division	1	–	1	1	–
Total	**12**	**1**	**11**	**11**	**–**
Percentage	**100**	**8**	**92**		

702. **In paragraph 16, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) agreed with the Board's recommendation that it strengthen its resources mobilization activities by expanding and diversifying its resource base through: (a) strengthening and expanding partnerships with bilateral and multilateral donors; (b) developing regionally based fundraising expertise; and (c) approaching socially responsible private sector entities, women's groups and individuals.**

703. UN-Women informed the Board that the achievements in 2013 showed significant improvement in resource mobilization as a result of the widening and deepening of its partnership base. The number of Member States contributing to UN-Women in 2013 increased to 129 (11 per cent). It should also be noted that: 18 Member States increased their contributions; 12 new donors contributed; 13 Member States were returning donors; and 19 Member States gave multi-year pledges. The June 2013 pledging event held at the annual session of the Executive Board also proved to be a successful catalyst, with Member States challenging each other to contribute more annual and multi-year core contributions. Efforts continue to strengthen partnerships with all donors through visiting donor capitals, meeting with parliamentarians, engaging with donors at the country level and by establishing partnership agreements with Member States and other partners.

Department responsible:	Strategic Partnership Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

704. **In paragraph 21, UN-Women agreed with the Board's recommendation that it ensure all its field offices (regional, multi-country and country offices) develop**

and implement their own business continuity and disaster recovery plans based on the relevant working environment and monitor their developments.

705. UN-Women acknowledges the need for business continuity and disaster recovery plans at the field offices, and its Security Office is in the process of developing a global business continuity programme, which will define the overall corporate framework and field office level of business continuity plan implementation. The Business Continuity Management Framework was approved by the Senior Management Team on 29 May 2014.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

706. **In paragraph 29, the Board recommended that UN-Women: (a) recognize and account for components of the financial statements appropriately and pay its liabilities on the basis of age, in accordance with its debt settlement policy, to enhance its credibility and increase suppliers' confidence; (b) improve the procedures for review of accounting ledgers and supporting schedules to ensure that all expenses are classified and charged against the right budget items; and (c) improve coordination and information flow between the Strategic Partnership Division and the finance section to ensure that the concluded agreements/pledges are recognized in the correct periods in line with its revenue accounting policy.**

707. The largest amount of $726,739 was an exceptional case which had been under negotiation for a lengthy period. The 2011 payable of $102,340 was provided to UN-Women on 21 March 2014. Payment of $703,815 was made in May 2014 and the remaining balance of $22,924 was paid in mid-August 2014. UN-Women has procedures to support the preparation of its financial statements and has noted the Board's request for reclassification of expenditure which the Board has noted was not material. UN-Women would like to reconfirm that coordination between the Strategic Partnership Division and the Finance Section is regular and consistent. There were monthly meetings held during 2013 and specifically for the 31 December 2013 close, a year-end meeting was held where the Strategic Partnership Division confirmed to the Finance Section that all pledges are included as regular resources prior to preparation of the financial statements. In the opinion of UN-Women, there was neither any error nor insufficient coordination between the Strategic Partnership Division and the Finance Section. UN-Women reiterated that the back-dating of the pledge to 2012 by the donor was an isolated case and UN-Women had applied its revenue recognition policy in accordance with its Accounting Policy Manual correctly. UN-Women will now document all meetings between the Strategic Partnership Division and the Finance Section.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

708. **In paragraph 36, UN-Women agreed with the Board's recommendation that it review its Programme and Operations Manual to match the requirements of IPSAS 12 and improve its year-end closure instructions to widen the scope of identification and recognition of inventory across the Entity.**

709. UN-Women informed the Board that it had widened its inventory policy in its Accounting Policy Manual during 2013 in accordance with IPSAS 12, Inventories. Furthermore, the Programme and Operations Manual was also updated in line with the Accounting Policy Manual and IPSAS 12, Inventories. UN-Women will be broader in its 2014 year-end closure instructions with regard to inventory.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

710. **In paragraph 43, UN-Women agreed with the Board's recommendation that it: (a) review its current procurement catalogue by renaming the classes and categories of assets to avoid misclassifications in the Atlas system; (b) minimize errors by strengthening the asset management function in all 59 country offices through improvement of the internal check system; (c) monitor the information uploaded in the Atlas system; and (d) continuously review the asset reports prepared by each office.**

711. Prior to the midyear physical asset verification in 2013, UN-Women headquarters provided detailed instructions to the responsible business units to assist with updating the asset register. The headquarters Asset Management Associate and Specialist continued to work with all business units to ensure an accurate and complete global asset register. The current challenge is due to the fact that there is only one staff person who oversees all asset management activities. UN-Women developed and issued new asset verification and impairment guidelines to the business units to enhance the documentation and credibility of the physical verification process. UN-Women also completed the migration of the assets to the newly created business unit codes to ensure accountability of the assets by each business unit rather than by the regional offices. As a result, the biannual asset certifications are completed and submitted on time and discrepancies noted during the physical counts are investigated and resolved. The country offices are required as part of month-end closure instructions to review all assets and report any movements to headquarters. Those movements are recorded at headquarters on a monthly basis in the Asset Management module. Reconciliations between the Asset Management module and Accounts Payable module and General Ledger are part of the monthly controls in place.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

712. **In paragraph 47, UN-Women agreed with the Board's recommendation that it speed up the development of audit guidelines for obtaining assurance on monies spent for projects under the United Nations Trust Fund to end violence against women and the Fund for Gender Equality.**

713. A harmonized approach and terms of reference will be developed for the audit of grant projects and are expected to be ready for implementation by all grantees of the Trust Fund by the end of 2014.

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

714. **In paragraph 51, UN-Women agreed with the Board's recommendation that it: (a) enhance its monitoring of advances to implementing partners to verify the correct use of the funds for achieving results and expected outputs; and (b) identify problems and implement necessary corrective actions with its partners where there are long-outstanding balances at the end of the period (6 months for implementing partners and 12 months for trust fund grants), including recovery of such balances as appropriate.**

715. UN-Women informed the Board that it has put mechanisms in place to follow up outstanding advances and, as part of its month-end closure instructions, the review of outstanding partner advances and follow up are key tasks. However, additional measures were taken during 2013, including messages from senior management to offices to aggressively pursue advances older than 12 months. The result of those efforts has been a more than 50 per cent reduction in long-outstanding advances as at 30 September 2013, noted during the interim audit, and as at 31 December 2013. UN-Women continues to work on this priority area and has taken other measures, including conducting training on cash transfers and advances to staff and partners in field offices and the revision of UN-Women cash transfer and partner advance policy in the Programme and Operational Manual.

Department responsible:	Division of Management and Administration, and Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

716. **In paragraph 57, UN-Women agreed with the Board's recommendation that it monitor and ensure that country offices, including in Zimbabwe and**

Côte d'Ivoire, fully utilize the committed funds and participate fully in joint programmes.

717. In Zimbabwe, the commencement of implementation of the programmes was not delayed by the country office but rather by the late signing of the cost-sharing agreements after the elections and the delay in disbursement of funds. The difficulties in the implementation of the project funded by UNHCR in Cote D'Ivoire were clarified between UNHCR and UN-Women, and it was mutually agreed to cancel the project and initiate a new partnership in 2014.

Department responsible:	Programme Support Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

718. **In paragraph 61, UN-Women agreed with the Board's recommendation that it continuously monitor and perform financial closure of all operationally closed projects within 12 months of operational closure as required by its financial regulations and rules.**

719. UN-Women is currently working on the financial closure of all 798 legacy projects, which were inherited from the former United Nations Development Fund for Women, and 299 projects have had asset and liability balances cleared. UN-Women is committed to completing the financial closure of operationally closed legacy projects and ensuring that updated guidelines are communicated to all project managers for their relevant actions in accordance with the financial regulations and rules.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

720. **In paragraph 66, UN-Women agreed with the Board's recommendation that it set a timeline for developing a mechanism that would enable timely submission of travel claims as required by the Programme and Operations Manual, preferably by embedding a module in the automated system for timely submission of travel claims if it is found to be cost-effective.**

721. The delayed submission of travel claims alongside travel mission reports was the result of the heavy workload experienced by staff. However, management will put in place controls and a strong tracking process to ensure that travel claims are submitted within 14 days of return from travel.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

722. **In paragraph 72, UN-Women agreed with the Board's recommendation that it provide adequate support to the field offices in order to enhance staff capacities in procurement procedures, including the management of contracting individual consultants and contractors in line with the existing guidelines, and monitor their compliance.**

723. UN-Women is currently reviewing the processes and modalities of the management and engagement of consultants. Under the revised process, the Human Resources Section will ensure appropriate use of the contract type, whereas the engagement, selection and contracting will be managed through a procurement process. Contracting individuals under a consultancy contract (Special Service Agreement) or a Service Contract is a valid and legitimate option for offices as long as they are used in line with the applicable guidelines. The timeline to ensure full compliance in that regard is dependent upon the deployment of human resource professionals in the field offices, who will be responsible for oversight, along with adequate staffing to carry out the procurement procedures related to the selection and contracting process. Ensuring adequate human resource capacity and strengthening human resource presence in the field offices is a priority for the organization, considering the fact that almost 80 per cent of UN-Women employees (under various contractual modalities) are based in the field.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

724. **In paragraph 80, UN-Women agreed with the Board's recommendation that it: (a) assess the capacity of the Procurement Section and ensure that it is able to manage the procurement function effectively across the Entity; (b) improve the provisions of the Programme and Operations Manual to include a procedure for the review of procurements below $30,000 that would facilitate a control measure, as well as an assurance process; and (c) ensure that the secretary of the Acquisition Management Review Committee is actually independent from the Procurement Section to effectively discharge the oversight role.**

725. In response to the procurement needs, two new procurement specialists' posts were established in the third quarter of 2013. Also, the procurement function and the organization's spend profiles were under review to harmonize demands and the existing procurement resources. That is intended to either expand the headquarters procurement structure or strengthen the regional procurement architecture and procurement capacity of field offices. UN-Women continues to work in that priority area, including by (a) reviewing the contract and procurement chapter of the Programme and Operation Manual to streamline the processes; (b) reviewing the

feasibility of initiating a quality-check mechanism for low value procurement ($5,000 to $30,000); and (c) reviewing the attributions of the Secretary of the Acquisition Management Review Committee in relation to the terms of reference of the Committee.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

726. In annex I to its report for the year ended 31 December 2013 (A/69/5/Add.12, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2014 regarding the nine recommendations assessed as "under implementation" by the Board is summarized in table 42. The information on prior recommendations is set out in the order in which they are presented in annex I to the Board's report.

Table 42
Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2013

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Management and Administration	9	4	5	5	–
Total	**9**	**4**	**5**	**5**	**–**
Percentage	**100**	**44**	**56**		

Report of the Board for the year ended 31 December 2011[38]

727. **In paragraph 101, UN-Women agreed with the Board's recommendation that it perform financial closure of all operationally closed projects within 12 months of operational closure.**

728. Please refer to UN-Women's comments in paragraph 719 above relating to the recommendation in paragraph 61 of the Board's report for the year ended 31 December 2013.

[38] A/67/5/Add.13, chap. II.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

729. **In paragraph 136, the Board recommended that UN-Women expedite the process of filling posts at country and regional offices to have adequate staffing.**

730. In line with the implementation of the regional architecture that aims at staffing field offices, a competitive selection process in two phases was completed in 2013. In phase 1, for internal applicants only, a total of 114 vacant positions were advertised globally: 36 international professional positions, 68 local positions in the field and 10 general service positions in New York. Positions that were not filled were opened to external applicants under phase 2, which included 18 international professional positions. The two phases were completed in 2013.

Department responsible:	Division of Management and Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

731. **In paragraph 140, UN-Women agreed with the Board's recommendation that it perform validation checks on the payroll information that is submitted to UNDP to ensure that it is valid, accurate and complete.**

732. The payroll validation process for headquarters is already implemented. For field locations, UN-Women has completed all necessary actions from its end to ensure that the validation process is in place, including necessary training to colleagues in the field locations to perform the checks. However, there is a need to revise the implementation date to the second quarter of 2015 owing to the following factors: (a) the process of ensuring the security of the sensitive data is taking longer than expected but this is being done diligently with the help of UNDP, and UN-Women expect the process to be further streamlined once its field offices have adequate human resources support; and (b) UNDP is in the midst of an organizational restructuring, which is also expected to have an impact on the nature and extent of services it provides to partner agencies, including UN-Women. The process of payroll administration at the local level is also likely to be affected, and a new workflow may be put in place to manage that. Validation of the payroll may need to be adjusted accordingly.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

Report of the Board for the year ended 31 December 2012[39]

733. **In paragraph 30, the Board recommended that UN-Women revisit the requirements of International Public Sector Accounting Standard 12 as a whole in relation to items kept at all offices, to ensure full compliance with IPSAS.**

734. UN-Women updated and released a new inventory policy as part of its Accounting Policy Manual in December 2013, which is in line with IPSAS 12, Inventories. Moreover, the Programme and Operations Manual was also updated subsequent to the revision of the Accounting Policy Manual.

Department responsible:	Division of Management and Administration
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

735. **In paragraph 41, UN-Women agreed with the Board's recommendation that it develop risk registers at operational levels and a consolidated register at the strategic level. The registers should include categories and the nature of threats that could adversely affect the delivery of its mandate and should include possible mitigation strategies.**

736. UN-Women is developing its enterprise risk management framework for implementation across the organization. For the enterprise risk management initiative, UN-Women has done the following: (a) drafted an enterprise risk management policy that is presently in circulation for comments prior to its approval by the senior management team; (b) consulted other United Nations agencies for lessons learned from the implementation of their enterprise risk management frameworks; and (c) conducted a workshop facilitated by the World Food Programme's enterprise risk management experts, where key UN-Women staff were trained on aspects of enterprise risk management and an outline of the corporate risk register was developed, culminating in the identification of the top key corporate risks for the senior management team's review and acceptance. UN-Women also recognized the importance and benefits of adopting an enterprise risk management framework that will work as a management tool, to be integrated into its existing business processes for better risk oversight and effective risk management across UN-Women.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

737. **In paragraph 53, the Board recommended that UN-Women design, implement and document additional procedures to improve the completeness and accuracy of property, plant and equipment recording in the asset management system.**

[39] A/68/5/Add.13, chap. II.

738. UN-Women developed and rolled out new asset physical verification guidelines, forms and documentation procedures, and hosted webinar training sessions. New impairment guidelines and forms were also developed and rolled out with the webinar training. UN-Women created additional business units and aligned all assets with their respective business units to enhance accountability and control at country and regional office levels. In addition, asset profiles were created in the Atlas system and the procurement catalogue was updated to ensure the accuracy of property, plant and equipment roll-forwards and depreciation computations. In 2014, UN-Women also provided additional training to offices to enhance their staff's understanding of the procedures put in place.

Department responsible:	Division of Management and Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

739. **In paragraph 70, UN-Women agreed with the Board's recommendation that it: (a) ensure that the positions held by service contract holders are filled on a timely basis by personnel on staff contracts; (b) assess the current status of staffing at all levels and the impact on the performance of programmes, and find a means of creating a database of prospective applicants who can be recruited to fill vacant posts in a timely manner; and (c) institute a follow-up process for officers returning from official travel so that they submit travel claim forms within the specified time.**

740. UN-Women is continuously ensuring that its human resource controls are enforced. The management of service contracts is decentralized to the field offices and is a contractual modality meant for field locations. The Human Resources Section sends periodic instructions to the offices highlighting the need to adhere to the guidelines and policies set out regarding the contract usage and modalities. A review of staffing levels was conducted, which resulted in the structuring of the regional architecture to better address the needs of the organization, and the recruitment for all posts was completed in 2013 as part of its implementation. In addition, UN-Women established its Compliance Review Board at headquarters in July 2013, which allows alternate candidates to be presented if they are recommended by the selection panel. That has been a source of prospective candidates for posts with similar profiles. Finally, UN-Women accepts the recommendation to institute a follow-up process to put in place a strong tracking process to ensure travel claim forms are submitted within 14 days of return from travel.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

741. **In paragraph 75, UN-Women agreed with the Board's recommendation that it review its procurement function and established delegations of authority.**

For instance, UN-Women may consider the case for categorizing procurements into strategic and operational requirements and making sure that the strategic acquisitions are processed centrally. The results of the review should also ensure that the headquarters has adequate control over budgeting, spending, monitoring and evaluation, and that compliance with plans, rules and regulations, as well as regular reporting, is assured.

742. In January 2013, UN-Women reviewed the underlying capacity of the procurement function and the segregation of duties to ensure transparency and value for money. Two new procurement posts were established in the third quarter of 2013: one has been on board since the first quarter of 2014 and the other is expected to be on board by the end of 2014. A business plan incorporating the strengthening of the headquarters procurement structure is under the review of Senior Management. To strengthen the procurement planning exercise, UN-Women introduced in December 2013 an online planning tool that would assist the organization in developing and generating a corporate procurement plan.

Department responsible:	Division of Management and Administration
Status:	In progress
Priority:	High
Target date:	First quarter of 2015

743. **In paragraph 92, the Board recommended that UN-Women consider the results of audits of its projects and work closely with implementing partners to address the weaknesses identified. The focus should be on implementing partners who have recurring negative reports.**

744. UN-Women has a SharePoint system in place, which is a repository of audit reports submitted by the global project auditors for every audit cycle, and it includes the action plans submitted by the field offices providing information on the status of implementation of recommendations. The repository also serves as a means of facilitating the follow-up and regular monitoring of the implementation of audit recommendations that is centrally coordinated at headquarters, in close collaboration with regional offices and the concerned country offices. In addition, UN-Women has trained implementing partners in the Sudan and Uganda to ensure they have a good understanding of the monitoring and reporting modalities and of the need for retention of required documentation for audit purposes.

Department responsible:	Division of Management and Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

XVI. International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2013[40]

745. The status of implementation of the main recommendations as at August 2014 is summarized in table 43.

Table 43
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Registry	3	–	3	3	–
Registry and Chambers	1	–	1	1	–
Total	**4**	**–**	**4**	**4**	**–**
Percentage	**100**	**–**	**100**		

746. The status of implementation of all recommendations as at August 2014 is summarized in table 44.

Table 44
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Registry	6	–	6	6	–
Registry and Chambers	1	–	1	1	–
Total	**7**	**–**	**7**	**7**	**–**
Percentage	**100**	**–**	**100**		

747. **In paragraph 11, the Board reiterated its earlier recommendation of addressing the backlog of activities required for the transfer of archives to the International Residual Mechanism for International Criminal Tribunals.**

[40] A/69/5/Add.13, chap. II.

748. The International Criminal Tribunal for Rwanda is continuing to transfer records to the custodianship of the Mechanism on a daily basis and the progress of work is subject to constant monitoring to ensure an orderly transition.

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

749. **In paragraph 18, the Board recommended that the Tribunal complete the remaining activities to implement IPSAS opening balances as planned, so as to establish a comprehensive financial record of the completion of its operations.**

750. In conformity with the advice and guidance received from the IPSAS implementation team at United Nations Headquarters, the Tribunal is continuing to review the IPSAS implementation plan and, in particular, the finalization of the opening balances.

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

751. **In paragraph 23, the Tribunal agreed with the Board's recommendation that it consider preparing formal contingency arrangements for addressing the risks within the timetable for the completion of the Tribunal's mandate.**

752. The Tribunal has an action plan guiding its preparations for closure, and that plan will be enhanced to include formal contingency arrangements addressing potential risks to the completion timetable.

Department responsible:	Registry and Chambers
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

753. **In paragraph 27, the Board recommended that the Tribunal continue to pay close attention to resource utilization by projecting how the remaining activities can be completed within the available resources and in a timely manner.**

754. In the light of its completion strategy, the Tribunal is constantly reviewing its resource utilization to ensure that appropriate resources are available to meet the needs of the organization as the strategy is implemented.

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

755. **In paragraph 31, the Board recommended that the Tribunal develop an efficient acquisition plan that will suit the downsizing and winding-up strategy and reduce the procurement lead time process.**

756. The Tribunal is developing an acquisition plan to ensure that required items are available to meet its needs as its completion strategy is implemented.

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

757. **In paragraph 36, the Tribunal agreed with the Board's recommendation that it present a plan for compensating the affected staff for their accumulated leave within the remaining closure time frame, without disrupting the pending activities of the Tribunal.**

758. The Tribunal is carefully monitoring the accumulated leave balances of staff while giving priority to the timely implementation of its completion strategy and the availability of resources.

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

759. **In paragraph 41, the Tribunal agreed with the Board's recommendation that it designate a senior officer who will regularly review the activities of system administrators with dual roles as a control measure to minimize the risks of fraud.**

760. The Tribunal has identified a senior officer to review the activities of system administrators and the necessary data extraction process is being finalized to ensure that data is available for review on a regular basis.

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2014

B. Implementation of the recommendations contained in the report of the Board of Auditors for the prior biennium

761. In the annex to its report for the biennium ended 31 December 2013 (A/69/5/Add.13, chap. II), the Board provided a summary of the status of implementation of recommendations from the previous financial period. The situation as at August 2014 regarding the single recommendation that was assessed as "under implementation" by the Board is summarized in table 45.

Table 45
Status of implementation of the recommendation from the prior financial period considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Registry	1	–	–	1	1	–
Total	1	–	–	1	1	–
Percentage	100	–	–	100		

Report of the Board for the biennium ended 31 December 2011[41]

762. **In paragraph 52, the Tribunal concurred with the Board's recommendation that it expedite the work on archive management to effect an orderly transfer to the Mechanism.**

763. Please refer to the Tribunal's comments in paragraph 748 above relating to the recommendation in paragraph 11 of the Board's report for the biennium ended 31 December 2013.

Department responsible: Registry

Status: In progress

Priority: High

Target date: Fourth quarter of 2014

[41] A/67/5/Add.11, chap. II.

XVII. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2013[42]

764. The status of implementation of the main recommendations as at August 2014 is summarized in table 46.

Table 46
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Administration	1	–	1	–	–	–
Total	**1**	**–**	**1**	**–**	**–**	**–**
Percentage	**100**	**–**	**100**	**–**		

765. The status of implementation of all recommendations as at August 2014 is summarized in table 47.

Table 47
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Administration	5	–	3	2	1	1
Registry	1	–	–	1	1	–
Total	**6**	**–**	**3**	**3**	**2**	**1**
Percentage	**100**	**–**	**50**	**50**		

766. **In paragraph 19, the International Tribunal for the Former Yugoslavia agreed with the Board's recommendation that it collaborate with the IPSAS implementation team at United Nations Headquarters to complete the remaining IPSAS implementation activities as planned.**

767. The Tribunal actively collaborated with the IPSAS implementation team at United Nations Headquarters on the remaining IPSAS implementation activities. Most of the outstanding activities have been completed and a plan to finalize the few remaining tasks has been agreed upon.

[42] A/69/5/Add.14, chap. II.

Department responsible:	Division of Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

768. **In paragraph 23, the Tribunal agreed with the Board's recommendation to collaborate with the Office of Human Resources Management at United Nations Headquarters to establish a procedure that will assist management in identifying overdue unclaimed repatriation grants for cancellation of the respective provisions.**

769. The Tribunal contacted the Office of Human Resources Management and the IPSAS implementation team at United Nations Headquarters regarding the practice followed with regard to unclaimed repatriation grants. The Tribunal then established and implemented a procedure to facilitate the review of outstanding repatriation grant provisions.

Department responsible:	Division of Administration
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

770. **In paragraph 28, the Tribunal agreed with the Board's recommendation that the recruitment timeline of 60 days be met.**

771. The Tribunal's understanding is that the 60-day time frame would be considered to fall within the overall Inspira-recommended guideline of 120 days from the posting of a job opening to its actual recruitment. On that basis, the Tribunal confirmed that it would do its utmost to minimize recruitment time with a view to finalizing recruitment actions not later than 60 days after the closure of a job opening.

Department responsible:	Division of Administration
Status:	In progress
Priority:	Medium
Target date:	Ongoing

772. **In paragraph 31, the Tribunal agreed with the Board's recommendation that it encourage managers and staff to ensure that performance reviews are carried out and that staff is sensitized about the importance to their career development of completing the performance review, as required in sections 6.1 and 11.1 of the administrative instruction on the performance management and development system.**

773. In line with the recommendation, the Tribunal informed all staff through an intranet communication of the importance of completing their performance evaluations and the associated deadlines. The Tribunal attaches great importance to

the performance evaluation system and, in that regard, it should be noted that the Tribunal has excellent performance review completion rates: 87 per cent for the 2011-2012 performance cycle and 96 per cent for the 2012-2013 performance cycle.

Department responsible:	Division of Administration
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

774. **In paragraph 35, the Tribunal agreed with the Board's recommendation that a clear timetable be set with a timeline for completion of its records classification and retention scheme to avoid risks of misallocation and management of sensitive information.**

775. Most of the records retention schedules have already been completed, with security classifications for each record series. There is only one schedule pending completion.

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

776. **In paragraph 38, the Tribunal agreed with the Board's recommendation that it: (a) review, test and combine its individual disaster recovery plans into one comprehensive plan that considers all the critical business systems and their dependencies; (b) conduct a periodic review of the audit logs of the databases and improve the system control to protect the audit logs from being manipulated; (c) conduct meetings regularly, as stipulated in the terms of reference for review and timely prioritization of information and communications technology projects.**

777. Samples of the access logs are reviewed periodically, and also when required in the context of specific incidents. From July 2014, access to database audit logs is restricted and can only be accessed by the Database Administrator, who is responsible for the database servers. Regular meetings of the Information and Communications Technology Committee have been held in accordance with its terms of reference. The review, test and combination of the individual disaster recovery plans are in progress.

Department responsible:	Division of Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2014

B. Implementation of the recommendations contained in the report of the Board of Auditors for a prior financial period

778. In the annex to its report for the biennium ended 31 December 2013 (A/69/5/Add.14, chap. II), the Board provided a summary of the status of implementation of recommendations from the previous financial period. The situation as at August 2014 regarding the single recommendation that was assessed as "under implementation" by the Board is summarized in table 48.

Table 48
Status of implementation of the recommendation from the prior period considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2013

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Division of Administration	1	–	1	–	–	–
Total	**1**	**–**	**1**	**–**	**–**	**–**
Percentage	**100**	**–**	**100**			

Report of the Board for the biennium ended 31 December 2011[43]

779. **In paragraph 35, the Tribunal agreed with the Board's recommendation to: (a) put in place procedures to resolve the matters identified through its physical verification exercises of non-expendable property; (b) update the database of non-expendable property in a timely manner; and (c) ensure that all non-expendable property is properly labelled.**

780. The Tribunal has implemented the recommendation as part of its preparation for IPSAS opening balances. The physical verification procedures, asset database and labelling have all been updated. During the physical verification of the non-expendable property in 2012 and 2013, all items were accounted for and properly labelled.

Department responsible: Division of Administration

Status: Implemented

Priority: High

Target date: Not applicable

[43] A/67/5/Add.12, chap. II.